HOT NEWS

Hungary in sympathy with Germany.
Rumania next in quest of Hungary!
Prague trying to prevent panic among people. France and G.B. agree to let Hitler have Sudeten. Russia threatens F. and G.B.
Latvinof Challenges F. and G.B.
Chamberlain 69 years old, may retire.
" demands Hitler to sign a Ten year peace guantee.
Mussolini taking most interesting part in Spain Czeck. troops evacuating Sudenta area Chamberlain and Hitler to meet again today. Czecks. & Sudeten troops clash. News papers of Cz. agree that thire republic is dwindling. | at the beginning of the 20 centry the ~~was~~ more its 300 small German states vary feeble untile. at the time of N. thes wer reduced to 39. |

/ST. SIX WEEKS

DICK THOMAS
7-B-Y.

—Reproduced from The New York Times.

The above map shows Spain as it is divided today, after twenty-six months of civil war.

NEVILLE CHAMBERLAIN

BENITO MUSSOLINI

EDOUARD DALADIER

ADOLF HITLER

NORWAY
FINLAND
SWEDEN
Orkney Is.
SCOTLAND
GLASGOW
NO. IRE.
BELFAST
IRELAND
DUBLIN
CORK
LIVERPOOL
HULL
GREAT BRITAIN
NORWICH
PLYMOUTH
LONDON
SOUTHAMPTON
DOVER
Thames R.
English Channel
CALAIS
North Sea
DENMARK
COPENHAGEN
Baltic Sea
STOCKHOLM
HELSINGFORS
Gulf of Finland
LENINGRAD
TALLINN
ESTONIA
RIGA
LATVIA
LITHUANIA
KAUNAS
KOENIGSBERG
EAST PRUSSIA
DANZIG
POLISH CORRIDOR
WARSAW
POLAND
Volga R.
GORKI
MOSCOW
Oka R.
SOVIET UNION
Don R.
STALINGRAD
KIEV
Dnieper R.
KHARKOV
DNEPROPETROVSK
UKRAINE
Dniester R.
Atlantic Ocean
HOLLAND
AMSTERDAM
THE HAGUE
BRUSSELS
BELGIUM
LE HAVRE
BREST
Seine R.
PARIS
REIMS
LUXEMBOURG
FRANKFORT
HAMBURG
BREMEN
Elbe R.
STETTIN
Oder R.
BERLIN
LEIPZIG
GERMANY
PRAGUE
CZECHOSLOVAKIA
CARPATHIANS
NANTES
Loire R.
TOURS
FRANCE
STRASBOURG
Danube R.
MUNICH
SALZBURG
VIENNA
BERCHTESGADEN
BUDAPEST
HUNGARY
RUMANIA
Bay of Biscay
BORDEAUX
Garonne R.
TOULOUSE
LYON
GENEVA
BASEL
BERNE
SWITZERLAND
ALPS
MILANO
Po R.
VENICE
TRIESTE
FIUME
GENOA
BOLOGNA
RAVENNA
APPENINES
ITALY
Adriatic Sea
YUGOSLAVIA
BELGRADE
Danube R.
BUCHAREST
Danube
BALKAN MTNS.
SOFIA
BULGARIA
ODESSA
Sea of Azov
CRIMEA
SIMFEROPOL
KRASNODAR
CAUCASUS MTS.
Black Sea
OVIEDO
OPORTO
BURGOS
Douro R.
PYRENEES MTNS.
Ebro R.
ANDORRA
MARSEILLES
NICE
MONTE CARLO
CANNES
Rhone R.
PORTUGAL
LISBON
Tagus R.
GUADARRAMA MTNS.
ZARAGOZA
MADRID
TOLEDO
SPAIN
BARCELONA
Guadiana R.
VALENCIA
Guadalquivir R.
SEVILLE
ALICANTE
MALAGA
CARTAGENA
GIBRALTAR
TANGIER
TETUAN
SP. MOROCCO
MELILLA
RABAT
ORAN
ALGIERS
FR. MOROCCO
ALGERIA (Fr.)
Balearic Is. (Sp.)
CORSICA (Fr.)
SARDINIA (It.)
ROME
NAPLES
TARANTO
Tyrrhenian Sea
Mediterranean Sea
MESSINA
SICILY (It.)
PANTELLERIA (It.)
MALTA (Br.)
TUNIS
TUNISIA (Fr.)
TRIPOLI
BENGASI
Ionian Sea
ALBANIA
TIRANA
GREECE
Aegean Sea
ATHENS
SMYRNA
RHODES (It.)
CRETE
CYPRUS (Br.)
ISTANBUL
TURKEY
ANKARA
Kizil Irmak
ASIA MINOR
TAURUS MTNS.
ANTIOCH
Euphrates R.
SYRIA
BEIRUT
LEBANON
DAMASCUS
HAIFA
JAFFA
JERUSALEM
PALESTINE
TRANS-JORDAN
Dead Sea
Mouths of the Nile
0 100 200 300
MILES
AP H.C. Setje

Hitler Rejects

SEPTEMBER 12, 1938.

Czech Plebiscite

SaysOppression Of Sudetens MustBeStopped

Fuehrer Tells Cheering Throng That Democracies Allied With Reds.

NURNBERG, Germany.—(A. P.)—Reichsfuehrer Hitler rejected today the idea of a plebiscite in Czechoslovakia after declaring 3,500,000 Sudeten Germans there were "being systematically ruined and doomed to slow extinction."

"A plebiscite in Czechoslovakia," the Fueher said, "would only be conducted under brutal oppression."

He had declared previously, in the declaration of German foreign policy the world had waited tensely to hear, that in Czechoslovakia "millions of people are being manhandled and suppressed."

"The depriving of these human beings of all rights must come to an end," he thundered.

"SOLID FRONT"

He told his cheering followers that "we see democracy and Bolshevism arrayed in a solid front" against Nazi Germans.

The Fuehrer, opening the speech for which the world was waiting, spoke at length of what he called "the sufferings of Nazi adherents in Austria before the annexation.

The first portion of his pronouncement before the climactic meeting of the tenth annual Nazi party congress was devoted entirely to recalling the party's fight for supreme power in Germany.

Then he turned to his attack against the democracies and Bolshevism, asserting that they were united against Naziism under "the slogan of liberty, equality, fraternity."

"It is a bloody mockery of history," the Fuehrer continued, "that the democracies are allied with the most brutal dictatorship in the world.

"It was they which attempted to hinder Italy's action in Ethiopia."

Hammering home the point that the Nazis had built Germany into a mighty nation again, Hitler then turned to Czechoslovakia.

"Scorn is being heaped on us today, but thank God we are in a position to prevent any rape of Germany," he declared.

ABOUT CZECHS

"I am now speaking about Czechoslovakia. This State was founded according to democratic principles.

"As these democratic principles are applied, millions of people are being manhandled and suppressed. The great democracies want to convince the world that Czechoslovakia has a special political and military mission to fulfill.

"Three and a half million Germans in Czechoslovakia are being systematically ruined and doomed to slow extinction.

"The depriving of these human beings of all rights must come to an end," the Fuehrer thundered.

But again the German chancellor held out an olive branch to France.

"Strasbourg means much, but we have surrendered it in the interests of peace to settle for once and for all the eternal strife with France," he said, referring to the cession of Alsace-Lorraine after the World War.

MADE SACRIFICES

"On other frontiers, too, we have made sacrifices. We have acted more than loyally."

"I believe that the cause of European peace is not served by creating the impression that Germany is indifferent to the fate of the three and a half million (Sudeten Germans) in Czechoslovakia."

Who's Who in Worried Europe

ADOLF HITLER, one-time Austrian house painter with power of life and death over 75,000,000 Germans, demands right and justice for Germans in Czechoslovakia, talks of war if Czechs don't give in to the Sudetens.

KONRAD HENLEIN, gymnastic instructor and war veteran. He began the Sudeten German movement in the Turnverein societies of Bohemia. Today, the puppet leader is Henlein but the power behind him is Hitler.

EDUARD BENES, once a village schoolmaster, is the second president of the 20-year-old republic of Czechoslovakia. His beleaguered country is tightly wedged between belligerent dictator states, but is ready to fight.

as Continent Totters on Brink of

WALTER RUNCIMAN, baronet, is a sea dog. His father is England's greatest shipping master. A Liberal, he was in Parliament at 26. Today he represents Britain in Prague, trying to conciliate Czechs and Sudetens.

NEVILLE CHAMBERLAIN, Prime Minister of England, has adopted a firmer hand with the dictators. No orator, he speaks a great deal. Coolest head in Europe, he goes fishing when war seems inevitable.

NEVILE HENDERSON left Eton to become an attache of the British embassy at the court of the Czars in St. Petersburg. Today the Rt. Hon. Sir Nevile is British ambassador to Berlin, a key post in the puzzle of Europe.

Another Great War

EDOUARD DALADIER is the Coolidge of France, making only three speeches in one year as premier. His political career began with his election to the Chamber of Deputies, Armistice Day, 1919. He backs up the Czechs.

BENITO MUSSOLINI, blacksmith's son who rules Italy. Affirmed buddy of Hitler, he now listens glumly, may wonder when Hitler will ask justice for Germans in the Italian Tyrol. He wasn't pleased about Austria.

Britons Pray For Peace

LONDON.— (A. P.) —As Premier Chamberlain's plane left London and headed for Germany, the great west doors of Westminster Abbey slowly swung open this morning to admit a group of office workers who knelt around the tomb of the unknown soldier in prayers for peace.

Alone and in twos and threes young men and women silently entered the musty, dim Abbey in brief supplication before hurrying to work. Nurses from Westminster Hospital, across the street from the Abbey, visited the church after ending their night of duty. They took their place beside a crippled ex-soldier.

Lloyds Cancels All War Risk Insurance

LONDON.—(A. P.)—Lloyds, the underwriters, decided today to give forty-eight hours' notice of the termination of all war risk insurance contracts.

All past contracts contained provision for such notice.

The notice is to be effective at midnight tonight.

New Insurance Rates Posted

NEW YORK.— (UP) —American underwriters post new marine insurance rates this afternoon, replacing all former rates which were suspended yesterday because of the danger of war.

While British underwriters met at Lloyd's of London to consider inserting a "free of capture and seizure" clause, excluding all war risks, it was doubted that American insurance men would make any such provision, at least until

"Among the thousands who will be attracted here will be crooks and pickpockets. We will endeavor to protect our people and visitors doin from injury and loss."

Efforts will be made to reserve the section on Broad Street between Fourth and Sixth for school children during the President's parade, Commissioner Bryan said. All schools will be suspended in five

Washington Thinks Crisis Is Most Serious

WASHINGTON.—(U. P.)—President Roosevelt returns to the capital today to receive from State department officials a complete report of the Czechoslovakian-Sudeten crisis.

Upon his scheduled arrival here tonight, it was understood he would confer immediately with Secretary of State Cordell Hull and other close advisers.

Mr. Roosevelt disclosed his concern over events in Europe by cancelling plans to return to his Hyde Park home from Rochester, Minn., where he has been at the bedside of his son, James, since Sunday. Speaking extemporaneously yesterday after a telephone conversation with Hull, he said that the "very serious" condition in affairs in Europe made it necessary for him to return to Washington.

Hull and his assistants still withheld all official comment on the Czech-German crisis, but the President's return, the attitude of the foreign diplomatic corps here, and the many conferences between State department officials and foreign emissaries emphasized that officials believed the situation most serious.

However, hope of a peaceful settlement was raised after the announcement of British Prime Minister Neville Chamberlain's decision to visit Adolf Hitler.

KENNEDY INFORMED

The State Department's chief European contact is Joseph P. Kennedy, American ambassador to Great Britain. The British foreign office was keeping Kennedy informed of developments and Kennedy, in turn, was cabling Hull.

There was added indication that officials consider the situation serious when it was learned that Assistant Secretary of State A. A. Berle would remain on the staff temporarily. Berle's resignation was scheduled to become effective today.

Meanwhile, an optimistic view was given the United Press in an interview with former United States Ambassador to Germany, William E. Dodd. He maintained that the real threat of a general war would not come until 1940.

"Hitler is always working on the assumption that the European people will not allow their governments to go to war," Dodd said. "Whenever it becomes clear that France and England will cooperate against Nazi annexations to the extent that they will go to war to stop them, then Hitler will stop. He will have to back down."

Dodd resigned his Berlin post after repeatedly and emphatically criticizing activities of the Nazi government. He said that food supplies in Germany are insufficient and Nazi military forces are inadequate for Hitler to start an offensive war before 1940.

Military Chiefs Confer

LONDON. — (U. P.) — Chiefs of the Army, Navy and Air Force went into conference Thursday while Prime Minister Neville Chamberlain, carrying with him the hopes of 46,000,000 Britons, flew to Berchtesgaden to talk to Fuehrer Adolf Hitler of Germany in an effort to prevent war over the Czechoslovak minority problem.

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Chamberlain flew to make a last stand for peace in the most desperate diplomatic crisis since 1914.

But at the moment he left his official residence at No. 10 Downing Street for Heston Airport, King George arrived at Euston Station from Scotland, ready to sign orders mobilizing the British Territorial Army and a declaration of war if need be.

Letter From Briton Demands No Troops Enter Czechoslov

kia

Nazi Leaders Angry Because New Premier Is Pro-Russia.

PARIS.—(U. P.)—France has gone the limit of concessions and will stand by her commitments if Germany invades Czechoslovakia, Premier Edouard Daladier announced tonight.

LONDON.—(U. P.)—The Exchange Telegraph reported from Godesberg that Premier Neville Chamberlain would see Fuehrer Adolf Hitler tonight and had arranged to return to London early in the morning.

LONDON.— (U. P.) —Fuehrer Adolf Hitler has informed Prime Minister Neville Chamberlain that he intends to march into Czechoslovakia "because there is no alternative," a most reliable source revealed today.

By WEBB MILLER

GODESBERG, Germany.—(Copyright, United Press.)—Negotiations between Prime Minister Neville Chamberlain and Fuehrer Adolf Hitler struck a snag today and a grave, tense atmosphere prevailed in this Rhineland center.

The scheduled second meeting between Chamberlain and Hitler did not take place this morning.

Instead, Chamberlain sent Hitler a letter. It was five hours before Hitler replied at 3:35 p.m., after constant consultation with his entourage across the river from Chamberlain's hotel. The Prime Minister began immediate study of the reply.

Chamberlain's letter, it was believed, demanded a pledge in black and white that Germany would not move into Czechoslovakia while negotiations are in progress.

There was no official confirmation, but a semiofficial German source said:

"Just how do you answer such a letter? How can we guarantee not to march into a country where such conditions prevail?"

News from the Czech border and from France added to the tension and to fears that the crisis may be reaching the gravest point since it began.

FIGHTING ON BORDER

Fighting between Sudeten Germans and Czechs was reported along the border. From France came news that heavy French troop movements were in progress along the German frontier.

Despite the difficulties there was no sign of an actual break in the negotiations between Chamberlain and Hitler, and there was some hope that they might be resumed late today.

Hitler's reply to Chamberlain was hurried along the river bank by a fast automobile in which was Dr. Paul Schmidt, Hitler's official interpreter.

At the ferry, which had been waiting, the reply was handed into another automobile, which took it to Chamberlain's hotel.

At the same time observers from the hotel balcony thought they saw another envelope handed to Schmidt from an automobile which came down from Chamberlain's hotel.

NO IMMEDIATE CONTACT

A propaganda ministry official said that since the British must translate the reply, it was doubtful there would be any immediate further contact between Chamberlain and Hitler, if arrangements had been made for them to meet at all today.

Very high Nazi quarters were quoted as having said the whole situation had been changed by the appointment of a "red general" to head the Prague Government and that obviously Germany could not tolerate such a menace.

Informed German private sources said "anything may be expected, but we are completely in the dark about what will be the future moves, not only in the international situation, but the Chamberlain-Hitler contacts."

It became apparent this morning that a definite hitch had occurred in the negotiations intended to result in a settlement of the Czechoslovak minority problem and an agreement to discuss later means of consolidating European peace.

DEEP ANXIETY

An atmosphere of deep anxiety pervaded the British delegation at its hotel on Peter's Hill, across the Rhine from Godesberg, where Hitler waited.

First a motor car was ordered to take Chamberlain across to Hitler's hotel. The car waited. Then it was disclosed that there was a delay. Something had gone wrong.

Next came a terse official announcement:

"Mr. Chamberlain sent a letter to Herr Hitler this morning to which it is understood Hitler is replying."

Immediately afterward it was made known that the proposed morning meeting between Chamberlain and Hitler had been postponed until later today in consequence of Chamberlain's letter.

Before making his announcement Chamberlain telephoned to cabinet ministers in London.

He talked long. A secretary came out into the hotel corridor outside the British suites. He read the announcement about the letter. Then he read the second announcement:

"The meeting which was to have been held this morning consequently has been postponed until later today."

Outside the hotel the British delegation car had been waiting forty-five minutes. Police pushed back the restive crowd waiting for Chamberlain. The honor guard before the hotel was removed for the time being and only two sentries were posted.

The German protocol officer, towering, seven-foot-tall Count Von Halem, strolled nervously back and forth in the lobby.

Telephone calls to London, Prague and Paris from the British rooms began jamming trunk lines.

Fighting Breaks Out Along Czech-German Border.

By JUNIUS B. WOOD

STADT JAOERNIG, Czechoslovakia.—(Copyright, United Press.)—Sudeten "free corps" forces battled Czechs today in the Satzdorf, Friedeberg and Krautenwaldig sectors of the German frontier. Machine guns, rifles, armored cars and grenades were used in the fighting.

The fighting in this district, which projects into Germany west of Glaz, began when Czechs resisted the advance of Sudetens who now occupy about fifty square miles inside the frontier. The conflict, in which five Sudetens were reported killed at Friedeberg, was typical of frontier fighting all along the border in the last twenty-four hours.

RATTLE OF GUNS

I could hear the rattle of machine guns in the direction of Satzdorf when I arrived, and a rumble that resembled artillery.

I was told that fighting also had broken out at Krautenwaldig and that the free corps moved soutnward after crossing the frontier last night.

Czechs equipped with machine guns, armored cars and grenades were reported to have met them. The Sudetens reported that the Czechs were putting up a determined resistance but that the free corps had a large number of men and weapons, including many old guns.

The free corps men I saw were not uniformed and I have seen no sign of German army uniforms. The only insignia worn by the free corps is a small black and red ribbon pinned to the coat lapel.

COURIERS BUSY

When I visited the Sudeten German party headquarters this morning it was buzzing with activity Couriers ran in and out with messages.

A free corps flag almost thirty feet long flew from the top of a nearby castle called Schloss Johannesberg. Swastikas hung from all nearby houses in greeting to newly arriving free corps fighters.

According to German reports here, the free corps advance was being resisted by Czech gendarmerie, customs officials and "Communiste."

The sound of firing at Satzdorf was audible from here. There was machine gun and rifle fire and what sounded like artillery.

Clash Averted

ASCH, Czechoslovakia. — (A. P.) —A threatened clash between a Sudeten German armed force and Czechoslovakia soldiers was averted today when government troops halted their advance toward the Asch area, in Sudetenland near the German border.

The Czechoslovak troops withdrew one mile to the east off the main highway to Tirschnitz from lines they had occupied at Ober Lomma, just outside the resort town of Franzensbad. They left road patrols behind, however.

The Sudeten Germans remained behind barricades on the main highway between Eger and Asch which they had been prepared to defend to prevent the Czechslovaks from reoccupying Asch, hometown of Konrad Henlein, Sudeten German party leader.

The Czechoslovak troops had left Asch when the republic's surrender to the British-French partition plan was announced Wednesday.

The Sudeten Germans were determined not to relinquish the area.

The military again was in full control of the Eger district as far as and including Franzensbad, a famous spa for heart diseases. Tirschnitz is not far from the Eger airport.

Germany And France Rush Troops To Danger Zones.

STRASBOURG, France.—(A. P.)—Troops along France's Belgian and German frontiers were ordered today to assume "positions of alert," it was reported in sources close to the general staff.

Such an order, issued by the Government, means that troops take up positions ready for an emergency.

GODESBERG, Germany.—(U. P.)—News reached the British conference delegation today that Germany had twenty-two army divisions—about 500,000 men, it was estimated, if they were on war footing—in the immediate neighborhood of the Czech frontier on all sides.

NANCY, France.—(U. P.)—All Rhine garrisons were placed in a state of alert today.

Soldiers in war uniforms of khaki, with full equipment, including gas masks, occupied the advanced posts of the Maginot line on the Rhine.

Horses and motor trucks were being requisitioned for transport of troops and materials throughout Alsace and Lorraine.

It was understood that the orders, issued during the night, were given because the Government feared that Adolf Hitler might demand the resignation of the new Czocheslovak Cabinet because it was headed by an Army general.

By dawn all frontier posts were manned at double strength.

Calls to duty were sent out so unexpectedly during the night that many officers and men had to be summoned from motion picture theaters and cafes.

Reservists continued to arrive today.

Border correspondents reported that the people of frontier cities had been alarmed by the troop movements in the night.

France O. K.'s Note

PARIS.—(U. P.)—France put its German frontier defenses at maximum strength today after learning that a hitch had occurred in the talks between Prime Minister Neville Chamberlain and Adolf Hitler at Godesberg.

Chamberlain sought and obtained the approval of the French Govrenment to a note—described at Godesberg as a letter—which he sent to Hitler today.

The Chamberlain communication was understood to insist that Hitler recede from certain demands he had made. These demands were said to include:

1. Withdrawal of twenty-five Czechoslovak Army divisions to eastern Czechoslovakia—away from Germany—and their subsequent demobilization.

2. Renunciation by Czechoslovakia of what Hitler called its new "military" Government.

The Government here, it was said, moved to put the Maginot line at its limit of strength at once.

Dispatches from frontier cities told of troop movements throughout the night, of requisitioning of animals and motor trucks.

Resignation

PARIS.—(A. P.)—Parliamentary circles said today that Premier Edouard Daladier had agreed to submit the blanket resignation of his Government as soon as the international crisis "takes a definite turn one way or the other."

The decision, made necessary by a split in the Cabinet over the policies of the Premier and Foreign Minister Georges Bonnet, followed reports that revolting Cabinet members forced from Daladier a promise that France would make no more concessions to Germany.

The Cabinet was said by some members of the Chamber of Deputies to be split, nine to nine, over Daladier's refusal to fulfill French obligations to aid Czechoslovakia.

The Premier was said to have made it a condition of the blanket resignation that the revolting Cabinet members, to whom he promised no further French concessions, remain in the Government until Prime Minister Chamberlain finishes his negotiations with Adolf Hitler.

Hitler Has Not Begun Invasion of Czechoslovakia

Although Czechoslovak official sources in London had reports of organized incidents along the German-Czech border, the Associated Press said only the Sudeten "free corps" was involved and there was no evidence that any German Army forces were participating.

Reuters (British news agency) quoted reports from Prague that a general invasion of Sudeten territory from Germany had been conducted by armed Sudeter Germans, assisted by German Nazi S. S. and S. A. troops men.

It was on the basis of this report that another Chattanooga newspaper—which is serviced only by the Hearst news service, I. N. S.—issued an extra this morning.

Shortly afterward, Reuters issued a "kill" notice, canceling the dispatch.

The News, which is serviced by the more reliable Associated Press and United Press, issued no extra and carried no such erroneous reports.

Briton Invites Fuehrer to Join in Working Out New Broad Peace Plan

Henlein Says Sudetens Cannot Live In the Same Country With Czechs.

PRAGUE.—(A. P.)—Sudeten Leader Konrad Henlein today demanded German annexation of Czechoslovakia's Cudeten area and the Gevernment further extended martial law to meet possible new disorders arising from the demand.

Two new districts, bringing the total to twelve, were placed under military control. Districts where martial law is in effect contain 2,000,000 of Czechoslovakia's 3,500,000 Sudeten Germans.

A D. N. B. (German official news agency) dispatch said the entire population of the Sudeten border village of Phillipsdorf crossed the frontier into Germany, staged a demonstration and returned home loaded with swastaka flags to decorate their houses.

Henlein's demand for annexation by Germany of the Sudeten German regions was contained in a proclamation addressed to Sudeten Germanys and Germans in the Reich declaring "it is definitely impossible for Sudeten Germany and Czechs to live in the same State."

"The Sudeten Germans have never renounced the right of self-determination. God bless us in our just fight."

GENERAL STRIKE

Shortly after the proclamation was transmitted a general strike was called at Reichenberg, fourth largest industrial center in the country and six miles from the German frontier.

Reports received in Prague said all stores were closed and all business activities halted. There were no editions of evening newspapers.

Thousands of Sudetens in Reichenberg gathered in the streets after hearing Henlein's proclamation and shouted demands that Sudeten territory be united with Germany. Martial law had not been imposed in Reichenberg.

BROADCAST IN GERMANY

The proclamation was broadcast through Germany and was transmitted to the Czechoslovak government by Henlein.

It was issued at Eger, near the German frontier, just a few hours before Great Britain's prime minister, Neville Chamberlain, talked with Chancellor Adolf Hitler of Germany on the Sudeten crisis.

It assailed methods used by the Czechoslovak government in efforts to crush disorders which have caused at least twenty-three deaths in Sudeten areas in the past three days.

The proclamation declared:

"My compatriots, as a man whom you trust and conscious of my responsibility, I proclaim to the whole world that the use of machine guns, armored cars and tanks against defenseless Sudeten Germans has reached the highest point of Czech oppression.

"CAN'T LIVE TOGETHER"

"Thereby the Czech people have demonstrated before the whole world that it is definitely impossible for Sudeten Germans and the Czechs to live in the same State. The experience of twenty years of oppression and above all the party sacrifices of the past few days make it my duty to declare:

"1. In the year 1919 we were denied the promised right of self-determination and against our wills were forced into the Czech State.

"3. All our efforts to persuade the Czech people and its responsible leaders to make honorable and just compromises have failed because of their irreconcilability.

"In this hour of Sudeten German extremity I direct to you, the German people and the entire civilized world:

"We wish to live as free German men! We want to work at peace in our homes! We want to return to our home in the Reich! God bless us in our just fight!"

The cabinet immediately began to study the proclamation at Prague, and indicated an answer would be given, possibly this afternoon.

Meanwhile, the government dispatched more troops and tanks to suppress disorders in the Sudeten regions, the death toll of which was not yet fully known.

The figure of twenty-three was fixed by the government, which is publishing its tabulations only after careful investigation. It appeared certain that many lives were lost, and many more wounded in the fighting along the 125-mile Sudeten border.

"Stop this rebellion before it becomes a European conflict," were instructions to the army, the police and the gendarmerie.

Bent on swift action, it appeared that probably before the end of the day the government would convene one of the special courts provided by martial law at Eger, Sudeten stronghold, where officers encountered machine gun fire as they tried to capture a sniper in the Victoria Hotel.

DEATH SENTENCES

The courts are empowered to impose death sentences to be executed within two hours. Both Eger and Schwaderbach, where bitter fighting took place yesterday, were quiet, save for military patrols early this morning.

Appraising the critical situation, Czechoslovakia found many reasons for forebodings.

The temper of the Sudeten district next to Germany was high, as extremists among the 3,500,000 Sudeten population kept up their clamor for union with German.

There was no war, but casualty lists were appearing in newspapers.

Sudeten-Czechoslovak negotiations for peaceful settlement had broken down. Henlein, angered by the deaths of his partymen, was in no mood to reopen the discussions.

The mission of Viscount Runciman, British negotiator, seemed for the moment to have been frustrated in its efforts to bring the disputants back to the council table.

Nor was the Government sure what to expect of the meeting between Adolf Hitler and British Premier Chamberlain at Berchtesgaden.

Henlein

(Continued from page 1.)

ELEVENTH-HOUR HOPE

The meeting, it was felt here, might hold out an eleventh-hour hope for peace. But officials of Prague wondered whether the peace of Europe might be bought by the British Premier at the expense of more sacrifices on the part of Czechoslovakia.

Among the Czech population and in Government circles there appeared the stiffest opposition to any concession which would affect national security.

The Army especially insisted that the borders remain where they are, that the Sudeten Mountains and the long semicircle of German border fortresses that they concealed remain the outer defenses of the republic.

The Czechs recalled that their mountain salient often has been called a "fortress built by God," and military authorities pointed out that the present natural frontier—the same as the borders of the ancient Bohemian kingdom—was the most feasible for defense against any aggression from the west (Germany).

"The last obstacle to a German thrust to the east," military experts called the Sudeten range.

"Once an invader is past the mountains it is just a goosestep to the Black Sea," said one officer.

The Government also opposed with determination another concession—a plebiscite to the Sudeten region to allow the Germanic population to vote on secession to Germany.

In the municipal elections last Spring Sudeten German party candidates swept the German districts with large majorities. Government supporters had no doubt how a plebiscite would turn out now that German nationalist sentiment has been inflamed by events of the past few months.

It also was pointed out that it would be impossible to grant a plebiscite without first making constitutional changes.

Henlein Says Sudetens Have Been Patient

EDITOR'S NOTE: Konrad Henlein, leader of the Sudeten German party who recognizes Adolf Hitler of Nazi Germany as his chief, cabled the following statement to the United Press.

By KONRAD HENLEIN

(Copyright, 1938, by United Press.)

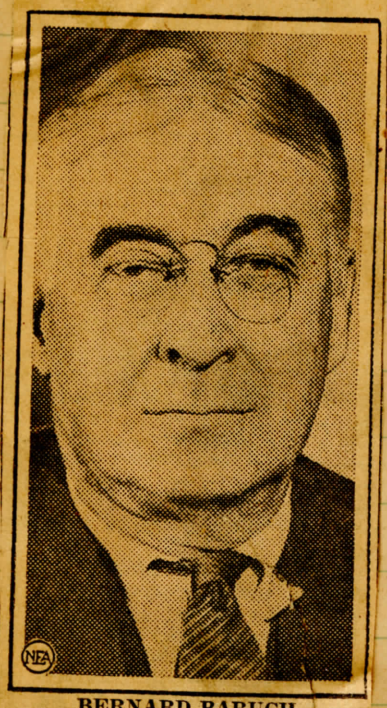
In Sudeten German territory there is reigning untamed terror of Czech military gendarmes and police. Czech civilians and Communists have been armed by the Government. Wednesday there were twenty dead and more than 100 seriously hurt, and several hundred injured. All telephonic communication is interrupted. All streets are occupied and barricaded by the military.

Camouflaged mobilization is being carried out through numerous conscripts for immediate service.

The Czech Government has refused the last possibility of negotiations by not answering inquiries.

The Sudeten Germans insist with unbending resolution upon immediate cancellation of all Czech extraordinary measures.

To Be Coordinator Of U. S. Defense?



BERNARD BARUCH

LONDON. — (U. P.) — The Evening Standard in its column, "Londoner's Diary," reported today that Bernard Baruch, American financier, was hastening back to the United States at the urgent request of President Roosevelt.

The column said it understood that Baruch, who had been vacationing in England and Scotland, would be intrusted with the job of coordinating national defense, a position he occupied during World War days.

Europe Sends Its Money Here For Safety

WASHINGTON.—Secretary Morgenthau disclosed Thursday that the European crisis has caused the "largest flight to the dollar in history."

The Treasury head declined to estimate the amount of foreign funds sent here for safe-keeping, but figures on recent Treasury gold acquisitions indicate several hundred million dollars of foreign cash have arrived here in the last few weeks.

"This movement proves," Morgenthau declared, "that the United States is the financial center of the world and can resist the kind of nervousness that people with money fear.

"There is no reason for alarm over this movement. If people want to send money here for refuge, we are glad to accommodate them."

The Secretary said he was in constant touch by transatlantic telephone and cable with the financial authorities of England, France, Belgium, Switzerland and the Netherlands for the purpose of cooperating with them as signatories of the 1936 tripartite monetary agreement in stabilizing international exchange.

ONLY DEFENDING DOLLAR

Morgenthau asserted, however, that the United States was not defending any currency but the dollar and that when it helped any other currency it did so at the request of a foreign government and with that government's money. He added that whenever the Treasury's stabilization fund bought any foreign currency for the government of that country, it required reimbursement in gold or dollars within twenty-four hours.

"When you consider the nervousness all over the world due to the European situation," Morgenthau continued, "it is extremely remarkable that there has been as little fluctuation in foreign exchange as there has been.

"One reason is that Congress has given the Treasury the necessary legislation and means with which to see that no groups manipulate the dollar to the disadvantage of the American business man."

He said he referred particularly to the stabilization fund, which was given $2,000,000,000 worth of gold in 1934 to stabilize the value of the dollar in terms of other currencies.

The Secretary said no occasion had arisen yet for taking any steps as a result of the huge influx of foreign money. Although the inflow of foreign money swells American bank deposits and thus increases the amount of money banks have available for lending, little credit expansion has taken place in recent weeks.

Chamberlain came for a showdown on what must be offered Hitler to satisfy his demand for self-determination for the Sudeten German minority in Czechoslovakia.

POINT-BLANK QUESTION

It was impossible to know what went on at the momentous meeting within the guarded precincts of Haus Wachenfeld. Before flying here from London, however, I was told by reliable diplomatic sources that Chamberlain would, in effect, ask Hitler point-blank:

"Are you anxious for a military adventure, or seriously anxious to collaborate in working out a peace plan beginning with the Sudetens, and capable of being extended elsewhere in Europe, including the colonies question?"

The suggested question was prompted by information in diplomatic quarters indicating that the Nazis wish to achieve a military triumph.

If, on the contrary, Hitler is prepared to accept a diplomatic victory, the British and French are prepared to facilitate it on a basis of granting the Sudetens a degree of autonomy "exceeding their wildest hopes."

Informed British sources believe that in exchange for concessions in the Sudetenland, Chamberlain wants Hitler's collaboration in solving the Spanish war problem.

It is known that Chamberlain does not intend to commit himself finally here, but to propose that since Viscount Runciman, British mediator, is acceptable to the Nazis, Sudetens and Czechs, Runciman be allowed to work out a generous "fifth plan" to replace the four previously rejected.

TALK AGAIN TOMORROW

Chamberlain's foremost object is to obtain the reopening of the Czech-Sudeten negotiations and get the European situation off the razor balance between war and peace.

The talks probably will continue through tomorrow and perhaps Saturday. Chamberlain is dining tonight with Hitler, and will return to his quarters in the Grand Hotel in Berchtesgaden to pass the night.

Neither Hitler nor Chamberlain speaks the other's language and

Leaders of Two Powers Bargain Face-to-Face in Bavarian Retreat.

By WEBB MILLER

BERCHTESGADEN, Germany.—(Copyright, United Press.)—Neville Chamberlain and Adolf Hitler bargained face to face in the Bavarian Alps today while a worried world waited to hear whether the result would mean peace or war in Europe.

The head of the British Government and the leader of greater Germany, met in the great hall of Hitler's retreat within an hour of the end of Chamberlain's unprecedented 700-mile dash by air and train from London.

to this, saying he

they are talking through interpreters.

The conference may have one of several outcomes.

1. Hitler and Chamberlain may agree on a program. If Czechoslovakia accepts it, the crisis is over, at least for the time being.

2. If Czechoslovakia refuses to accept any program which may be decided on, the crisis is worse than before and the threat of armed intervention by Germany, with resultant war, is renewed.

3. If Hitler and Chamberlain fail to agree, the same thing holds true.

4. If things go well, there may be an agreement for a four-power conference of Britain, France and Germany and Italy to seek a general agreement in Europe designed to preserve peace.

Regardless of what happens, the world was provided with a breathing spell just when it seemed on the verge of plunging into the chaos of war. The time gained may be the means of salvation.

GOES TO HOTEL

On his arrival here Chamberlain and his party proceeded directly to the Grand Hotel, where they will be quartered, before joining Hitler at Haus Wachenfeld, his villa on nearby Obersaltz hill.

Chamberlain was met by Hitler's military adjutant and Wilhelm Meissner, fourth secretary of state of the chancellery. He was escorted to the hotel through lines of cheering people.

Automobiles awaited them at the hotel to take them up the mountain.

It was understood Chamberlain intends to remain here at least until Saturday, indicating the talks will be long and painstaking.

Chamberlain was greeted with "heils" and Nazi salutes by a crowd of 400 to 500, dressed in Bavarian costumes.

He was smiling as he emerged bareheaded from the station. After a sunshiny morning, a cold drizzle was falling.

At 4:40 p.m. Chamberlain emerged from his hotel with Joachim von Ribbentrop, German foreign minister, and motored up the mountain to Hitler's home.

SHORT DRIVE

It was only a fifteen-minute drive to the spacious mountain retreat of the Fuehrer, looking out over the hills of Austria, which six months ago was joined to Germany.

Chamberlain was greeted on the steps by Hitler. Both were smiling as they shook hands. A company of Hitler's bodyguards, the elite black-uniformed corps, was drawn up at attention.

Hitler escorted his guests to the great main hall of the house with its beamed ceiling, tapestries and rugs. There they had tea.

Chamberlain was accompanied from the hotel by Sir Neville Henderson, British ambassador to Germany; Joachim von Ribbentrop, German foreign minister; Sir Horace Wilson, chief industrial adviser to the British Government; William Strang, expert of the British foreign office; Baron Ernst Weizsack-

See CHAMBERLAIN, Page 16.

Chamberlain

(Continued from page 1.)

er, secretary of state of the German foreign office; O. E. L. Meissner, secretary of state of the chancellery; Herbert von Dirksen, diplomatic adviser, and Hitler's adjutant, Maj. Schmundt.

The American-made Lockheed airplane carrying Chamberlain, Sir Horace Wilson, chief industrial adviser to the British government, and William Strang, British foreign office expert and Chamberlain's translator, arrived at Munich airport at 12:28 a.m. (5:28 a.m. Chattanooga time) after a flight of 600 miles along the old western front of the World War in 3 hours and 53 minutes.

HIS FIRST FLIGHT

Chamberlain looked well and cheerful after the first airplane journey of his 69 years.

Awaiting him at the airport were Joachim von Ribbentrop, German foreign minister, who had come from Berchtesgaden to meet him, and Sir Nevile Henderson, British ambassador to Germany, who had come from Berlin and went on to Hitler's villa to join the conference.

Ribbentrop, former German ambassador at London, was the first to greet the smiling prime minister.

"Did you have a good trip?" he asked.

"Very good," Chamberlain replied.

Herbert von Dircksen, German ambassador to London; Baron Ernst von Weizsaecker, secretary of state of the German foreign office, and Baron Alexander Dornberg, chief of protocol of the German foreign office, joined the party and welcomed the visitors.

Before leaving London the prime minister gave this farewell message to the nation

"I am going to see the German chancellor because the situation seems to me to be one in which discussions between him and me may have useful consequences.

"My policy has always been to try to insure peace, and the Fuehrer's ready acceptance of my suggestion encourages me to hope that my visit to him will not be without result."

Chamberlain read his message into a microphone just before he entered his plane.

As the plane's motors roared and it started along the runway on one of the most fateful journeys a man has made by air, cries of "Good luck!" "Well done!" and "Stand by Czechoslovakia!" rang out from the airport personnel, the newspaper correspondents and the photographers who watched the take-off.

Ignominiously on his way out of the airport, hustled, gesticulating, between policemen, was a distrustful citizen who had shouted:

"No concession to Hitler!"

CURIOUS ABOUT PLANE

Chamberlain was as curious as a boy as he saw an airplane from the inside for the first time. He looked around and up at the roof. Four of the nine seats had been removed so that there would be greater comfort for Chamberlain, the other passengers and the two crack pilots, Commander D. S. King and Commander C. N. Berly.

The last head of a State with whom Hitler had such a talk at Berchtescaden was Kurt Schuschnigg, the last chancellor of independent Austria, now a prisoner of the German secret police, in Vienna, his nerves broken and his health shattered, awaiting trial for his life as a "traitor."

Parliament Called Into Special Session

British Solons To Convene To Hear Chamberlain Report on Visit.

LONDON.—(A. P.)—The British government arranged Thursday to recall Parliament to hear Prime Minister Neville Chamerlain's personal report on his talk with Chancellor Adolf Hitler of Germany.

Parliament recessed July 29 until November 1, but has remained subject to immediate recall.

The exact date for early reassembly will be fixed when parliamentary leaders learn when Chamberlain is returning from Berchtesgaden.

Sir John Simon, chancellor of the exchequer; Capt. Edward Algernon Fitzroy, speaker of the House of Commons, and Capt. Henry Margesson, chief government whip, met at No. 10 Downing Street to make the final arrangements.

Capt. Fitzroy technically is the only man permitted to recall Parliament, but he, like the King, acts on the advice of the ministers.

Russia Forges Steel Ring Around Ukraine

Hitler Admitted In 1936 That He Coveted Rich Region.

By CHARLES P. NUTTER

WASHINGTON. — (A. P.)—Authoritative reports reaching Washington indicate the Soviet Union, convinced Adolf Hitler has obtained a free hand in eastern Europe, is forging a protective armor for the lucrative Ukraine.

On the basis of meager information, diplomats believe the Russians, bitter over the collapse of western European efforts to stop German expansion, have speeded up their construction of a mighty line of steel from the Black to the White Seas. Behind this line the Red Army would await any invasion.

Hitler's domination of Czechoslavkia, if and when completed, would bring the German influence or Army within 100 miles of the Ukraine. The latter is one of the richest geographical areas in the world, the possession of whose minerals and grains—in Hitler's own words in 1936—would enable Germany to "swim in wealth."

The Ukraine now supplies the Soviet Union with about 80 per cent of its coal, 60 per cent of its iron, 95 per cent of its manganese, the bulk of its wheat and vast quantities of mercury, copper and gold.

30,000,000 POPULATION

It is Russia's granary, a country of limitless steppes, almost as large as Germany was before annexation of Austria. It is peopled by about 30,000,000 stalwart, industrious Slavs who have known war ever since their ancient capital, Kiev, was overrun by the Mongols in the thirteenth century.

Now that France has failed to go to Czechoslovakia's aid under its treaty, Russians believe they must rely entirely on their own resources to check a reborn and hungry Germany. The buffer nations set around Germany on the southeast by the Versailles Treaty are no longer insurmountable, as developments in the last week have shown.

The Russians' problem in the Ukraine is complicated by just such a minority issue as gave Hitler his chance in Czechoslovakia. The Ukrainians are not and never have been Russians. They do not speak Russian. Their culture, literature and civilization is vastly different and older. There has been and probably still is a powerful separation movement in the region.

As late as 1923 the Ukraine republic was a separate country signing treaties with European nations. Then it was gobbled up by the Union of Socialist Soviet Republics.

STERN MEASURES

The lash of the kulak liquidation and subsequent famine seven years ago fell most heavily on the Ukraine steppes, adding to the discontent there. The Russians frequently have charged Germans were active in stirring up sabotage and counter-revolutionary activity among the Ukranians, and stern repressive measures have been used to quell insurrection several times.

The Ukraine is populated with 80 per cent Ukranians, 9 per cent Russians, 5 per cent Jews and a few of other nationalities. They speak the Ukraine language, a dialect which differs from Russian.

Prior to the seventeenth century the Ukraine was an independent principality, which then fell under the domination of Poles and Lithuanians and finally was absorbed in 1793 by Poland and Russia. The separation movement which began in the nineteenth century was successful in 1918 when Ukraine broke away from Russia, concluded a separate treaty of peace with Germany and established the Ukraine People's Republic, and remained a separate country until 1923. In that year Ukraine joined the Union of Socialist Soviet Republics.

Nationalists Gain In Spanish War

HENDAYE, French - Spanish Frontier.—(UP)—Nationalists began a counter offensive on the Manzanera front today, recapturing several heights.

A Loyalist communique admitted the loss of two positions. Nationalists said Loyalist dead and wounded numbered more than 2,000.

The Nationalists made slight gains east of Fatarella on the Ebro front.

Czech Army Backs Cabinet

PRAGUE.—(U. P.)—President Eduard Benes issued a proclamation to the Army today, exhorting it to remember that the people depend on the armed forces for protection.

The President declared the Army is behind the Government's decisions.

The proclamation was issued immediately after the new Government headed by Gen. Jan Syrovy, one-eyed war veteran, had been presented to the President.

"The entire nation in these days is living through heavy cares connected with the fate of the State," the proclamation said. "In these days people naturally rely on the Army.

"Every true citizen sees in the Army not only his own protection, but that of the State and nation."

As the proclamation was issued, Syrovy's Government acted firmly to maintain control and to keep order along the Sudeten frontier where German troops estimated as high as 500,000 were concentrated across the border.

Nevertheless, there were many outbreaks of fighting. Customs houses and other official buildings were attacked by gunfire, official sources reported. In many cases Czech officials were kidnaped.

Those seized were taken to Germany. Only one was known to have escaped and returned.

Daladier Says France Will Face Her Engagements

PARIS. — (A. P.) — Radical Socialist Deputies quoted Premier Edouard Daladier tonight as declaring that "if Germany enters Czechoslovakia, France will face her engagements."

Deputy Louis Malvy, one of the leaders of the Premier's own party, was one of those who quoted those words to newspapermen after a delegation of Radical Socialist ministers had called on the Premier.

Halvy also said that Daladier declared he would call Parliament immediately back into session "if the situation should become worse."

France is pledged to go to Czechoslovakia's aid should the latter be the victim of "unprovoked aggression."

Russia Repeats Her Pledge To Czechoslovakia

Litvinoff Says Soviets Might 'Voluntarily' Go To Her Aid.

GENEVA—(A. P.)—Maxim Litvinoff, Soviet Commissar of Foreign Affairs, told the League of Nations today that Soviet Russia might voluntarily go to the aid of Czechoslovakia, "but no one can insist on this help as a duty."

In a surprise statement to the League assembly's political committee, the Soviet commissar declared his Government had "a clear conscience and clean hands in the Czechoslovak crisis."

"The Soviet Government," he said, "may come to the aid of Czechoslovakia only in virtue of a voluntary decision on its part or in virtue of a decision by the League, but no one can insist on this help as a duty."

REPEATS PLEDGE

Litvinoff repeated his pledge that if France fights to protect Czechoslovakia against invasion, Russia will fulfill her obligations under the Soviet-Czechoslovak mutual assistance pact.

He disclosed that he had promised the Czechoslovaks that this was Russia's position, even after the Prague government had accepted the "ultimatum, which included eventual denunciation of the Soviet-Czechoslovak pact."

The Soviet Government, Litvinoff said, "does not seek pretexts for evading fulfillment of its obligations."

Although he had not formally been scheduled to speak, Litvinoff walked into the political committee meeting and gave a brief resume of Russia's stand on Article 16 of the League covenant—concerning the application of punitive measures against aggressor nations. Then he launched into his discussion of the Czechoslovak problem.

Another Joan of Arc

MEDELLIN, Colombia. — (U. P.)—Juanita Guerrero, whose name means "warrior," told a crowd in Cisneros Plaza today that she was the reincarnation of Joan of Arc and would go to Czechoslovaka to organize resistance against Germany.

Police dispersed the crowd and took Juanita to a place for observation.

French Official Resigns to Join Czech Army

PRAGUE.—(LP)—The chief of the French military mission to Czechoslovakia, Brig.-Gen. Louis Eugene Faucher, notified the French government today of his resignation and placed himself at the disposal of the Czech army.

Faucher is 64. In addition to his French post, he has held the rank of general in the Czech army since 1930.

Gen. Mittelhauser succeeded him as head of the French military mission to Prague.

Japanese Shock Troops Penetrate Chinese Defenses

SHANGHAI. — (LP) — Japanese shock troops penetrated deep into the southeastern inner defenses of Hankow today and stormed the walls of Hangsin, Chinese stronghold seventy miles from the officially abandoned capital.

North of Hankow, Japanese motorized units came within striking distance of Sinyang, on the militarily important Peiping-Hankow railroad, 100 miles away. The final phase of the Japanese drive westward to the railroad from Anhwei Province had begun.

A fierce battle for Hangsin was in progress, but Japanese news correspondents with the attackers reported that the town probably would fall to the Japanese before nightfall.

Chinese reported that the Japanese still were far enough from Hankow that their threat was not serious. They were confident that they could defend the former provisional capital for an indefinite period.

PARIS CALLS CLASS THREE TO COL
AND PRAGUE SUMMONS 1,500,000
AFTER CZECHS GET 'FINAL' DE

CHAMBERLAIN RETURNS

Promises Only to Convey Demand for Immediate Sudetenland Cession

HIS LAST BID FOR PEACE

Message, However, Goes to Prague Cabinet Which Had No Part in Surrender

BERLIN, Sept. 24 (Saturday) (AP). — D. N. B. (official German news agency) said today the Sudeten German free corps army arrested 600 Czechs as hostages at the frontier, threatening to shoot them if Sudeten towns were shelled.

The nation, in the absence of fully official information, wavered between fears of war because of the breakdown of the Hitler-Chamberlain talks on Czechoslovakia, and the hope that from them had come an Anglo-German agreement.

The army prepared for the worst, because the free corps organized by Konrad Henlein appeared not to have worked as was expected here.

D. N. B. said the free corps troopers arrested the Czechs when they learned of the return of Czech troops to Rumburg, Warnsdorff and other places along the Silesian border.

Czech artillery, said D. N. B., had trained cannons on these towns. The Sudetens warned the hostages would be shot if the towns were shelled.

The number of refugees who had reached Germany from Sudeten towns increased to 127,800 last night. The increase chiefly was due to the Czech reoccupation of the territory, which Czechoslovakia Wednesday agreed to cede to Germany as a price of peace.

Ultimatum at Godesberg

GODESBERG, Germany, Sept. 24 (Saturday) (AP).—Prime Minister Chamberlain salvaged the epochal "peace or war" conference with Adolf Hitler today with a midnight promise to mobilized Czechoslovakia, Hitler's "final" demands on the republic.

"It's up to them," said the haggard premier with a weary gesture, as he announced he had agreed to make "certain proposals" to the Prague government, now with a military hero as its premier.

"I cannot say it is hopeless," he added, as he returned to his mountain-top hotel after a final three hours with the German fuehrer—a conference that had been delayed all day yesterday in deadlock.

He returns by airplane to London this morning, and from that nerve center of Europe's fears and hopes he will ask the Czechoslovaks to agree to these things, his bid of bids to keep Europe's mammoth armies from being unleased:

First—Cancellation of their general mobilization order.

Second—To permit German troops or the Sudeten free corps to march into the border land which already had been sacrificed to the reich by the Anglo-French plan.

The Czechoslovaks have bowed to this peace plan, but have sworn to resist "invasion." And in the meantime a new government is in power in Prague, the old one that capitulated to the French-British proposals having been forced out by the popular reaction.

The two-point program was Hitler's "final" proposal.

Reliable information indicated this undertaking of Chamberlain's was all that saved the two days of amazing Rhine-side negotiations, which ended at 1:39 a.m. (8:39 p.m., central standard time, Friday), from utter collapse.

This threatened breakdown was evident Thursday night when Chamberlain, after the first three hours with Hitler, pleaded alone for "order" in the Sudeten land.

Couldn't Pledge Not to March

Competent observers said this meant Hitler had declared he must "save" the Sudetens in his own way and could not give any pledge to avoid a show of force.

Then yesterday Chamberlain suspended a scheduled morning talk with the fuehrer until 10:30 p.m.

Meanwhile he had Prague on the long-distance telephone.

What the new government there told him is not known. But it was apparent the premier staked everything on the off chance that further diplomatic approaches to Czechoslovakia might stave off the worst.

In this morning's early hours, official information was summed up in a polite communique issued both at Godesberg and across the Rhine at Petersberg, where Chamberlain had his headquarters.

French Officer Quits To Join Czechs' Army

LONDON, Sept. 23 (AP).—The Czechoslovak legation announced today that Gen. Louis Eugene Faucher, of the French army, had resigned his post, accepted Czechoslovak citizenship and placed himself at the disposal of Czechoslovakia's defense forces.

Faucher was in Prague as head of a French military mission.

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GERMAN ARMY SET TO MARCH

Apparent Ineffectiveness of Free Corps Keeps Troops Ready for Worst

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff Writer.

BERLIN, Sept. 23.—The free corps which Konrad Henlein organized to help put Sudetenland under the German swastika appeared tonight to be unworkable and Reichsfuehrer Hitler's army was preparing for the worst.

So long, however, as the Godesberg talks between Hitler and British Prime Minister Chamberlain offer hope of British and French support for partition of Czechoslovakia, the fuehrer seemed determined to keep his army and air force out of the affair.

Hitler is used to waiting—even when loss of life among Germanic people is involved—and some of the scattered clashes between the free corps and Czechoslovak officials in the disputed German-Czechoslovak borderland have resulted in death.

Reports Fifty Persons Killed

One Berlin newspaper estimated fifty persons had been killed since the new Czechoslovak government under Gen. Jan Syrovy brought a stiffening of Czechoslovak resistance.

But should the Godesberg conferences fail, there was no doubt that Hitler would accept what Germans have construed as Syrovy's challenge.

Henlein, leader of the Sudeten German minority, last week from his refuge in Germany announced that 40,000 men had joined the free corps. Its purpose was to harass Czechoslovak authority in Sudetenland and speed the day of "liberation."

But the use and effectiveness of the free corps seems to have been predicted on an assumption that only ordinary Czechoslovak frontier guards and local police would be encountered.

Against Syrovy's heavily armed and well-equipped regulars, Henlein's free corps would have invited suicide if it had seriously attempted to fight back at the Czechoslovaks' bristling show of power.

Generally along the border, therefore, the free corps appeared to have withdrawn to the German side. They evacuated towns and villages they had taken in advance of execution of the

See Page Thirteen, Column Seven

Anglo-French plan of ceding Sudetenland to Germany.

(A dispatch from Eger, Czechoslovakia, said the Sudeten irregulars still held the Asch area from Haslau to the German border, a strip fifteen miles deep and five miles wide. Asch is Henlein's home town.)

Germany's crack air force unit, the Hermann Gœring regiment, moved from Berlin, by way of Dresden, to some frontier station. Troops moved through German Austria from Salzburg toward Linz which is about 125 miles almost due south of Prague.

Special air raid precautions were taken at Linz.

Many private German firms received orders to place automobiles or trucks, as well as drivers, at the disposition of military authorities. These firms will receive payment at nominal rate for the use of each vehicle.

Forces Concentrated for Days

Government officials made no secret of the fact that German armed forces have been concentrated for days all along the German and German-Austrian frontiers with Czechoslovakia.

In fact, they rather proudly told inquiring foreigners that the German army stood ready to cross the border whenever necessary. They also pointed with satisfaction to indications of Poland's and Hungary's readiness to regain territory from Czechoslovakia by force or arms if necessary.

An aggravation of the Czechoslovak-German situation was seen in an announcement by D. N. B. (German official news agency) that railway communications between Germany and Czechoslovakia had been abandoned at ten points. D. N. B. charged Czechoslovaks caused the suspension by dynamiting bridges.

The Sudeten free corps, face to face with Czechoslovak military contingents heavily armed in modern fashion, apparently preferred at most points to stand by their guns without firing.

Especially in the Eger district the Sudeten irregulars were forced to make a hasty exit, but they arrayed themselves outside Eger and Asch in fighting formation.

At Niederadersbach, Weckelsdorf, Liebenau and Untermichelsdorf—villages in the mountainous borderland—Czechoslovak officers were reported in German dispatches to have threatened to shell the towns unless the free corps evacuated.

Free Corps Retires

Realizing they had neither equipment nor training to withstand Czechoslovak artillery, the free corps units retired over the German frontier, these advices said.

Near Zittau, on the other hand, free corps soldiers tried to prevent Czechoslovak armored cars from proceeding toward the frontier. Reports said a bloody skirmish ensued with casualties on both sides, but no further details were given.

CZECHS SPRING TO ARMS

Reserves Called to Put Nation on War Basis Within Six Hours

'DECISIVE HOUR AT HAND'

Action Follows Advice of New Premier to His Cabinet That 'Time Has Come'

PRAGUE, Sept. 23 (AP).—President Eduard Benes tonight ordered general mobilization of the Czechoslovak army, first-line reserves and part of the second-line reserves amid rising fear nazi Germany intended to invade Czechoslovakia.

Within six hours after the decree was broadcast at 10:26 p.m. (4:26 p.m. eastern standard time), the mobilization was expected to bring the republic's men under arms to an estimated 1,500,000.

Men and officers already on active duty were estimated at 650,000. Reserves gradually called to the colors during the past weeks of tension were said to have swollen Czechoslovakia's normal standing army of 180,000 to that figure.

By the Associated Press.

PRAGUE, Sept. 23.—All first line reserves of the Czechoslovak army tonight were mobilized to put the nation on a wartime footing within six hours.

The government of Gen. Jan Syrovy, Czechoslovakia's new premier, in addition ordered all second line reserve officers, who have posts in the nation's military plan, to report for duty immediately.

The government's mobilization decision was made at a special cabinet meeting presided over by President Eduard Benes in Hradchin castle late today

All officers, noncommissioned officers and men of the army's first reserves between the ages of 22 and 40 were told to report for duty within six hours

The new premier, who also is inspector-general of the Czechoslovak army, told his cabinet ministers the time had come for the republic to defend herself with every means at her disposal

Reserves Stream to Posts

Reserves, immediately following announcement of the mobilization order, started streaming toward their military posts and military trucks rumbled through the crowded streets of the Czech capital.

All trains were thrown open to the reserves as soon as the order was broadcast at 10:24 p.m. (3:24 p.m., central standard time).

Throughout the evening Czechoslovaks had stayed close to their radios expecting an important announcement when it was learned the cabinet was in session with President Benes.

Then, after playing of the Czech national anthem, came the electrifying announcement that "the most important and decisive moment has arrived.

"Success depends on all of you. Expend all your powers and your fortunes in defense of the state.

"Do all the state demands of you," said the official announcement telling reserves to report for duty with Czechoslovakia's 180,000-man regular army.

"Our battle is just begun.

"It is just to battle for our freedom and independence—to free Czechoslovak lives."

Word Awaited by Thousands

It was the word that hundreds of thousands of patriotic Czechoslovaks had been awaiting.

With a great rush of enthusiasm the nation sprang to arms. Men hurried from restaurants, leaving their meals unfinished.

The streets were filled with a mass of cheering, husky-throated citizens. Truckloads of soldiers began to rumble through the streets. They were cheering and were cheered.

With a half hour after the mobilization order was read, every one seemed to be doing something.

Taxicabs were commandeered, street cars were rerouted to facilitate the mobilization movement. Many of the trolleys, far off their regular routes, clanged toward railway stations and barracks with reserves ready to do their bit.

Signs quickly went up advising Prague citizens where to find the nearest bombproof shelter.

Automobiles and motor busses, equipped with blue lights in the event of air raids, sped in every direction with loads of reserves.

There were no airplanes over Prague tonight, but the motorists seemed to want to fortify themselves with the experience of driving under air raid conditions.

Main streets were darkened at 7:15 p.m. Large electric signs were turned off and tests of blockout air-raid precautions started.

Prague was excited, but orderly.

The war department offices were a beehive of activity. Functionaries worked at top speed to accomplish all details of mobilization within the six hours specified by the president.

The British government arranged for a plane to take British citizens out of the country at 9:15 a.m. tomorrow. They will be flown to Poland.

The mobilization order, broadcast first in Czech, then Slovak, German, Hungarian, Ruthenian and Polish, authorized the requisitioning of automobiles, private planes, horses and wagons for military service. Military information was placed under censorship, all civil aviation was halted.

Fresh troops were sent to several border regions to relieve soldiers weary after weeks of tense frontier guarding. Gendarmerie and soldiers were sent in large numbers to numerous border cities, including Eger and Grasslitz, where Sudeten party members of the Sudeten German legion (free corps) gained the upperhand last night.

In Prague sandbags were piled about the burg and other government offices.

Trenches were being dug about some government buildings, one explanation being that they were for ammunition for a great number of antiaircraft guns for protection of the government here.

Painters freshened up large red crosses on the roofs of hospitals.

Traffic Away From Prague

Special trains brought hundreds of additional refugees from the Sudetenland, while at Masaryk station, from which trains depart for the east and south, the movement of traffic was away from Prague.

Many Prague citizens, including numerous Jews who have liquidated their businesses, are leaving town.

Martial law was extended to Kaplitz, on the border of German Austria, bringing to seventeen the total number of districts in Sudetenland under military rule. Disorders at nearby Brannau, where an officer was killed, caused great excitement at Kaplitz.

The official press bureau announced tonight:

"Czech soldiers stand at every border stone along the whole frontier."

Indications were that the new government of Premier General Jan Syrovy, military idol who succeeded Premier Milan Hodza yesterday, was pursuing an energetic policy while awaiting outcome of the negotiations at Godesberg between British Prime Minister Neville Chamberlain and Reichsfuehrer Adolf Hitler.

The premier's office said reports that nazis of the Sudeten German free corps had occupied border cities were "wholly untrue."

Government sources reported eight persons were killed and others wounded in frontier clashes last night between Sudeten German party members and Czech guards. Incidents were reported to have occurred at Freiwaldau, Hobakladrau, Hammern and the Karlovy Vary region.

Premier Syrovy, acting directly on suggestions from Prime Minister Chamberlain, of Britain, issued circulars stating:

"Citizens—In this eventful moment for the state and people, I beg of every one of you to keep your place—the soldier with his arms, the tiller of the soil with his tools, workers in their workshop and factories, clerks in their offices.

"The army watches over the safety of the republic and can fulfill its duty only when the people are unified and calm. Show your sentiments by your work for the state, go back to your duties because only in this way can we secure the defense of the state.

"Any further demonstrations can be of use only to the enemy."

The circulars were distributed all over Czechoslovakia by airplane.

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with Bonnett, a spokesman at the Quai d'Orsay gave the following unconfirmed version of the talks:

Adolf Hitler informed Chamberlain yesterday of his desire to occupy immediately the Sudetenland.

Chamberlain refused to accept such a course and sent a letter to Hitler to-French position was attributed here to British refusal to permit Germany to occupy Czechoslovakia's Sudetenland immediately.

France's ally, soviet Russia, played an important role in the sudden shift, rallying to her support on two fronts.

In Moscow, Poland was warned against invading Czechoslovakia, and in Geneva, Foreign Commissar Maxim Litvinoff declared Russia still was ready to fight for the Prague government if France aided Czechoslovakia.

In a broad statement of France's new position to a delegation of his radical socialist party supporters, Premier Edouard Daladier, one of these supporters said, laid down the following firm three-point stand:

First—If Germany invades Czechoslovakia proper, France will mobilize and go to Prague's aid under the French-Czechoslovak treaty, which calls for mutual assistance in case of unprovoked aggression.

Second—If a nazi invasion extends only to the Sudeten German fringe of Czechoslovakia, which Prague has agreed to cede to Germany and which France holds should be turned over by diplomatic negotiation—Daladier will consult his own cabinet and the British government on measures to be taken.

Third—France could mobilize immediately without calling parliament into extraordinary session.

Daladier was reported in diplomatic

The explanation advanced in diplomatic circles for the swift turn in the situation was that, after pressing Prague to make all concessions possible in the name of peace, Paris now must protect her ally against any further sacrifices.

Premier Daladier was quoted by his party aides as saying:

"If Germany enters Czechoslovakia, France will face her engagements."

SEPT 24

Hands Off Czechoslovakia, Russians' Warning to Poles

By the Associated Press.

MOSCOW, Sept. 23. — Soviet Russia warned Poland today to keep her hands off Czechoslovakia.

Vladimir P. Potemkin, first assistant commissar of foreign affairs, served notice on the Polish embassy that the soviet union would cancel the nonaggression pact with Poland if Polish troops invaded the harassed republic.

Diplomatic quarters variously interpreted the move.

Some observers said they saw in it an indirect warning that the red army would be thrown into action if there should be simultaneous German, Hungarian and Polish assaults on Czechoslovakia.

Others took a less serious view. They said the soviet union could well afford to make a nonmilitary gesture of sympathy for Czechoslovakia—involving as it does only threatened cancellation of a nonaggression treaty.

(The Polish government informed soviet Russia tonight it had taken no special steps on the Czechoslovak frontier.

(The government instructed its charge d'affaires at its Moscow embassy to reply the government was "astonished at the Russian warning and to state moreover that protection of the Polish borders was the government's own affair and that the government was fully aware of its treaty obligations.

(In the morning, President Ignacy Moscicki conferred with Foreign Minister Col. Joseph Beck.

(The daily pro-government conservative newspaper Czas in Warsaw demanded the Carpatho-Ukraine region of Czechoslovakia be joined to Hungary, thereby destroying Czechoslovakia's corridor through Rumania to Russia.

(Recruiting offices were opened in Warsaw and along the Czechoslovak border for a Polish free corps similar to the Sudeten German free corps organized in Germany.)

Polish military preparations on the Czechoslovak border earlier drew from diplomats and foreign observers divergent forecasts on what the soviet army would do if Polish troops entered Czechoslovakia.

It was pointed out that in such an invasion the nation considered to be the aggressor would have a common frontier with the soviet union instead of being separated by neutral territory as would be the case if Moscow tried to help Prague against a German attack.

Some observers contended, however, that the whole situation had been changed by Prague's acceptance of the French-British plan for a settlement with Germany through ceding Sudeten German regions to the reich.

They took the position that Czechoslovakia—by handing her strategic mountain border over to Germany without a fight, even though actual transfer has not occurred—has altered the whole strategical basis of the Czechoslovak-soviet pact.

Thus, they said, the soviet union could no longer be regarded as bound by terms of the treaty which pledges her to aid Czechoslovakia against aggression in case France does likewise.

This, it was said, would not prevent the soviet union from offering military aid if so inclined.

However, it was the opinion of some military observers that the red army was not in a position to wage a large-scale war on behalf of Czechoslovakia.

Not only would transport of motor uel to a mechanized army be diffi- ult once it had crossed into foreign erritory, but Russian rolling stock robably could not be used to haul oviet troops in Poland because Polish ailways are of narrower gauge, they sserted.

Some observers who disagreed with his view regarded the red army as fully capable of a tremendous drive across Poland. Despite this, they predicted that Moscow would not move.

A large-scale offensive against Poland, it was said, would mean a German counter-offensive, with the result that soviet and German armies likely would wear each other down while Britain and France might reap the benefit of this simultaneous weakening.

MUSSOLINI WILL MAKE FIFTH SPEECH ON CRISIS

ROME, Sept. 23 (AP).—Premier Mussolini left tonight for Padua, Adriatic port in northeast Italy, where he is expected to make his fifth speech on the Czechoslovak crisis.

Arrangements were made to halt his train at Florence, Bologna and other cities to permit him to confer with the foreign office here on developments in the international situation.

Lights in Palazzo Chigi, which houses the foreign office, burned far into the night as functionaries decoded a constant stream of messages from Italy's representatives in European capitals.

Some usually well-informed circles interpreted il duce's failure to make a speech today at the dedication here of the Ara Pacis—altar of peace—as indicating events were taking a graver turn with the stiffening attitude of Britain and France.

Paris Air Raid Sirens Go Off After Bad News

PARIS, Sept. 23 (AP).—A short circuit which set off air raid sirens in the crowded Bourse district of Paris today sent thousands of office workers scurrying to cellars or rooftops to scan the sky.

Coming at a time when the public had learned of the hitch in the Chamberlain-Hitler talks at Godesberg, the blasts created enough excitement to snarl traffic badly. The sirens sounded a full five minutes.

HUNGARY SENDS 2,000 TO FRONT

Free Corps Moves to Border as Cabinet Is Reported Studying Mobilization

BUDAPEST, Sept. 24 (Saturday) (AP).—The Hungarian cabinet went into session last night after a general mobilization order in Czechoslovakia was broadcast, and was still in session at 1:30 a.m. today as rumors circulated this country would take like action.

Although the Hungarian mobilization rumor was officially denied, military barracks were filled with newcomers who had received orders to report to their regiments at once.

The railroad stations were crowded, and scenes reminiscent of 1914 were enacted as men bid farewell to their wives, mothers, sisters and sweethearts.

A Hungarian "free corps" numbering 2,000 men already had departed for the Czechoslovak frontier, beyond which live 700,000 Hungarians.

Budapest Darkened

All street lights in Budapest were ordered turned off and all windows had to be darkened, although a foreign office spokesman said there was no danger of immediate air attack.

Some well-to-do civilians appeared at coffee houses carrying gas masks.

Foreign observers returning from the frontier districts reported the wives and children of all Hungarian civil servants left the border zones last night by special trains and motor trucks for the interior.

Czechoslovak troops across the border were declared to be busy erecting new concrete machine-gun nests.

Czechoslovak airplanes also were patrolling the region.

Calls to Prague Refused

Urgent telephone calls tonight to Prague were refused by the Budapest telephone exchange with the explanation, "Lines out of order."

Army authorities explained that the unusual numbers of men called to the colors was to fill up "gaps" in the army units.

(Under the World war treaty of Trianon, Hungary was entitled to maintain an army of 35,000 officers and men, but was generally believed to have made progress in rearmament even before nations of the Little Entente agreed last month to abrogation of the military clauses of the treaty. Hungary has no air force.)

Some Budapest concerns found their operations crippled by the calling up of their employes for military service. One Anglo-Hungarian company reported 200 of its 240 employes summoned.

It was pointed out Hungary's position was extremely "difficult and dangerous" because Czechoslovakia's sisters in the Little Entente, Rumania and Yugoslavia, are pledged to go to her aid should she be attacked by Hungary.

Budapest is only thirty-five miles from the Czechoslovak frontier.

Two detachments of Hungarian "free corps" men armed with shotguns and revolvers were dispatched as the vanguard of a larger body expected to be organized following news of the formation of a "free corps" in Poland.

This development came amid reports, generally believed, that the Hungarian government had asked Yugoslavia's consent to occupation of certain territories in southern Czechoslovakia.

The first Hungarian unit to march out for the frontier was made up of Hungarians who rose in 1921 to defend western Hungary, allotted to Austria by the treaty of Trianon.

Army, Air Corps, Reserves Included in Daladier's Call

Paris Sees Prague Free From Any Obligation for Further Cession to Hitler — New Nazi Aggressions to Compel France to Fight

PARIS, Sept. 24 (Saturday) (AP).—The French government today ordered partial mobilization of armed forces.

The partial mobilization included a call for army, aviation and reserve troops as the nation prepared to defend Czechoslovakia from feared German attack.

It was the first formal mobilization order issued since the crisis began. The order was posted before all police stations at 7 a.m. (1 a.m. eastern standard time).

The order specified only that all reservists carrying white mobilization cards bearing the number "three" should report immediately without awaiting individual notification.

The order was dated at 4 a.m.

The order was entitled "Immediate recall of certain categories of reservists."

The text:

"By order of the minister of national defense and war and of the minister of air, officers, noncommissioned officers, men holding the facsimile mobilization order in white, bearing the figure three, will report immediately and without delay, without waiting for individual notification.

"They will assemble at the place of convocation indicated on their order or facsimile of mobilization in the condition outlined by that document.

"Saturday, Sept. 24, 1938, 4 o'clock.

(Signed) The ministers of national defense and war and air."

Sources close to the government said earlier that ten French divisions were ordered to the German frontier.

Acceptance by the Czechoslovak government of new concessions demanded by Chancellor Hitler, semi-official sources held, likely would be the sole hope of preventing war. There were few indications here that Prague would accept.

The new demands, according to Havas (French news agency) in a dispatch from Godesberg, were the immediate handing over to Germany of large areas of Sudetenland without any German promises in return.

Should Prague refuse and Hitler order his troops to march, French sources indicated, France would be bound to fight for Czechoslovakia.

The fact that the Czechoslovak government agreed to all concessions put forth by the French and British thus far, observers here indicated, removed any provocation Germany might have been considered to have had.

Premier - War Minister Daladier said yesterday his radical socialist party aides quoted: "If Germany enters Czechoslovakia, France will face her engagements."

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France is pledged by her assistance pact with Czechoslovakia to give aid in the event of attack upon the little republic.

Thus, with the issue apparently now clearly drawn, France began placing her giant military machine in motion.

Troops already along the German frontier were ordered to battle posts. During the crisis an estimated 2,000,000 men have been kept under arms, including some reservists called to service by the usual individual notification process.

New units started moving toward the border early today.

Gen. Maurice Gustave Gamelin, chief of the general staff, and his aides were in constant touch with the situation at the war ministry

Sweeping promotions in the army, made yesterday, were disclosed today. Forty-five officers were involved. Eleven new major-generals were made, twenty-three were promoted to be brigadier-generals and the commands of eleven brigade commanders were shifted.

Paris continued its precautions to safeguard the city from surprise air raids. Lists of the safest cellars in each district were posted in all prefects and police stations.

Citizens were urged to make certain of the one nearest to them so no time would be lost in taking shelter when air raid sirens sounded.

PARIS, Sept. 24 (Saturday) (AP).—France took steps toward a general mobilization today as reports reached Paris that European peace hung on Czechoslovakia's acceptance of new German demands.

"At the first gunshot on the Czech-German frontier," members of Premier Edouard Daladier's staff said, France would mobilize.

They declared a mobilization decree, awaiting only signature to make it effective, was on the premier's desk last night.

Dispatches of the semiofficial French news agency, Havas, from Godesberg said a complete break in talks between Adolf Hitler and Prime Minister Neville Chamberlain was avoided only by the British prime minister agreeing to ask the Czechs for new concessions.

The French report asserted Hitler refused to give any assurances based on the Anglo-French formula for ceding, with Prague's acquiesence under pressure, Sudetenland to Germany under supervision of an international committee and without nazi military occupation.

The semiofficial agency said Hitler's demands were being transmitted to Paris and other capitals throughout the night for immediate cession of the Sudeten regions without any strings.

France's high military command and government officials conferred late into the night after Czechoslovakia ordered mobilization. It was understood French mobilization notices were ready for posting at a moment's notice.

The government warned any invasion of Czechoslovakia would mean war.

The British ambassador, Sir Eric day asking guarantees against such action.

Hitler replied with a compromise proposal by which Germany would occupy some sections of the Sudetenland as a symbolic gesture pending formal settlement.

This plan reportedly was submitted to the Czechoslovak government by the British minister at Prague, Basil Newton.

The new proposal was judged unacceptable to the Prague government.

The government backed up its blunt warning that a nazi invasion of Czechoslovakia now would mean war by putting troops on all France's frontiers in a "state of alert"—an order of alarm to prepare for action.

The quick strengthening of the Phipps, conferred last night with Foreign Minister Georges Bonnet and sources close to the foreign minister said Bonnet was "very pessimistic."

Some hope of peace persisted, however. Sources closely connected with the foreign ministry said Prime Minister Neville Chamberlain already had submitted the new proposal to the Prague government in an effort to save peace.

The proposal may be renewed tomorrow, it was said, when Chamberlain returns to London.

LONDON DOUBTS CZECHS TO BOW

Chamberlain Merely Bearing Fuehrer's Word—No Sign Britain Backs Demand

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LONDON, Sept. 24 (Saturday) (AP).—Europe in a few terrifying hours came to the edge of war last night, as peace talks between Prime Minister Neville Chamberlain and Adolf Hitler wavered, then ended in "final" German demands on Czechoslovakia.

It was noted here that Chamberlain left the Godesberg conference, which earlier in the day had been threatened with deadlock, merely bearing the German fuehrer's final word to the Prague government on the Sudeten crisis.

There was no mention of British support for these demands.

It was believed generally in London that Hitler was demanding immediate demobilization of the Czechoslovak army and occupation of Sudetenland by either Sudeten or German troops.

Prague's attitude toward these demands, it was believed here, would depend greatly on what assurances Germany gives that demobilization of the Czechoslovak army would not be followed by a lightning nazi invasion of Czechoslovak territory

New Capitulation Doubted

It was also doubted here that the new Czechoslovak military regime was in any mood to capitulate further to any demands by either Chamberlain or Hitler.

Great Britain was relieved somewhat that Chamberlain and Hitler finally got together after the earlier impasse, but the general outlook was pessimistic in the face of widespread troop movements throughout Europe.

CHAMBERLAIN MEETS HITLER TO WEIGH CZECHS' FATE

Prime Minister Neville Chamberlain, right, of Great Britain, and Chancellor Adolf Hitler, center, of Germany, are shown in this radio-photo as they met in Hitler's hotel quarters at Godesberg, Germany, to discuss the fate of Czechoslovakia. Left, Paul Schmidt, interpreter.

'Our Powder Dry,' Masaryk's Son Says in Broadcast to America

By the Associated Press.

NEW YORK, Sept. 23.—Jan Masaryk, Czechoslovak minister to Great Britain, told the United States tonight that his people would defend their country to their last breath.

"I tell you, Americans, our powder is dry," said the son of the founder of the Czech republic in a transatlantic radio broadcast from London.

"Mr. Chamberlain is again visiting Herr Hitler," he said, "and at this moment he is being handed a memorandum containing Mr. Hitler's considered and final opinion of the Sudeten German question. He will deliver it to us tomorrow.

"What the memorandum contains I have no idea. * * * We shall study Mr. Hitler's proposal with good-will and that same conciliation which made us swallow many little pills and bitter pills in the last few days.

"But I solemnly declare that we shall not give in on the fundamental issues. We believe in democracy, humanitarianism, freedom of religion and speech and the importance of the individual. * * *

"Our German minority," he continued, "was treated better than any other in Europe and if it had not been for the shocking propaganda from across the border, we and our Sudeten Germans * * * would have settled our differences with dignity and without bloodshed."

The Czechoslovak nation, he declared, is united around the grave of Thomas Masaryk, his father, "firmly resolved to safeguard the principles he laid down for us."

"We shall defend it to our last breath," Masaryk declared, closing his address with a greeting in his own language to Czechoslovaks in America.

Bishop Blames Crisis On Unjust Peace

LONDON.— (A. P.) —Dr. Alfred W. F. Blunt, bishop of Bradford, who was the first to raise his voice publicly against King Edward VIII, now the Duke of Windsor, condemned today the "wickedly foolish treatment" of Germany.

In a diocesan letter the bishop wrote:

"Europe is still reaping the result of the seeds of hatred, revenge and fear which were sown by an unjust peace and wickedly foolish treatment of Germany after the war.

"Hitlerite Naziism is the reaction from helotry (serfdom) which attempts were made to force on Germany, and this reaction has not yet spent its power. It has grown ever more self-assertive with success."

"Article 2 of the Soviet-Polish pact liberates a contracting party from its obligation in case either party commits an aggression against a third."

On Dec. 1, 1936, the B
Bradford concluded an
with the statement: "We
(King Edward VIII) is
his need. Some of us wis
more positive signs of su
ness." It was the first tin
op of the Church of Eng
publicly mentioned the t
arch's personal affairs,

reports had been curr
clergymen were distu
ward's friendship wi
lis Simpson, now the
Windsor. Edward abd
two weeks after the
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Ha
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Russia Warns Poland

PARIS.—(A. P.) — Havas, French news agency, in a Moscow dispatch today, reported that Soviet Russia had notified Poland she would denounce the the Russian-Polish nonaggression treaty without fourther warning if Polish troops moved into Czechoslovakia.

The Havas dispatch said:

"This morning at 4 o'clock (V. P.) Potemkine, vice-commissar for foreign affairs, called the Polish charge d'affaires, T. Hankovski, to his office.

"He handed him a note in which the Soviet government informed the Polish government that it believed it indispensable in the present circumstances to notify it that it would denounce the Soviet-Polish nonaggression pact without further warning in case the Polish government moved its troops onto Czechoslovak territory.

Here's What Chamberlain And Hitler Said to Each Other

LONDON. — (Copyright, United Press.)—The "war or peace" conversation between British Prime Minister Neville Chamberlain and Nazi Fuehrer Adolf Hitler can now be described as follows:

Chamberlain, meeting Hitler at Godesberg Thursday, explained that he had brought a plan worked out by the British and French Governments to give satisfaction to German demands for annexation of the Sudetenland of Czechoslovakia.

This plan, the Prime Minister pointed out, had been accepted by the Prague Government.

All that Britain asked, Chamberlain said, was that Hitler not take any military measures, but permit a peaceful evolution of the settlement.

This would involve a plan for an international commission to delimit the new frontiers of Czechoslovakia, he said.

Any military action meanwhile would obviously prejudice the issue, Chamberlain emphasized.

In addition, he said, Germany should demobilize the extraordinary force now under arms—estimated at 1,500,000 men—in order to enable the international commission to work without any suggestion of menace.

Then he added a warning. If the plan should not be put into operation in a peaceful manner, the French treaty for military assistance in event of invasion of Czechoslovakia remains in operation and Britain's entire attitude toward the problem remains as defined by both Chamberlain himself and Sir John Simon. That definition was that a war in central Europe would almost certainly involve Britain as well as France.

Hitler's reply was just as firm. He said that he had "no alternative" but to march into the Sudetenland.

At this point the conversation of Thursday ended. Chamberlain then decided to write his letter to Hitler, putting the British Government on record as urging the German Fuehrer not to strike during the peace talks.

Hitler Eases Up on His Demands

SEPT. 24.

(By the Associated Press.)

Europe stood today on the brink of war.

The end of peace talks between Reichsfuehrer Hitler and British Prime Minister Chamberlain signaled the most intensive war preparations since 1914.

France called 300,000 reservists to the colors—the last step before general mobilization. Evacuation of border towns along the German frontier began. France had more than 2,000,000 men under arms.

The British home fleet suddenly put to sea from Invergordon, Scotland. Malta, Britain's naval base in the Mediterranean, was put on a wartime basis. All arms of Britain's defenses were put in readiness.

Czechoslovakia mobilized an army estimated at 1,500,000 men against the danger of German invasion.

* * *

Chamberlain flew home to London from Godesberg after a final, fateful talk with Hitler.

He had agreed to place a german memorandum before the Czechoslovak Government. It was semi-

officially reported that the memorandum, whose nature was kept secret, already had been relayed.

A man who saw a copy of it said in Berlin it was most conciliatory in tone and gave a basis for a peaceful solution.

This informant said the Fuehrer in no way included Polish and Hungarian demands on Czechoslovakia and, in fact, such demands were not discussed at the Godesberg meeting.

The demands, particularly the Polish, had been feared to be a stumbling block to a peaceful settlement. Soviet Russia had warned Poland against any invasion of Czechoslovakia.

The Berlin informant said Hitler's demans were even less than those made at the first conference between Hitler and Chamberlain September 15 at Berchtesgaden. He said they envisaged eight days for the peaceful handing over of the Sudeten territory to Germany. Czechoslovakia already had capitulated to British-French pressure to submit as the price of Europe's peace.

But it was said positively to be Hitler's last offer.

If the Czechs agree, it was said, peace would be preserved; if not, Czechoslovakia would bear the responsibility for the consequences.

* * *

In the meantime, Premier Mussolini of Italy declared that Germany had issued an ultimatum to Czechoslovakia expiring October 1—six days.

.In London, where Chamberlain had called an emergency session of the cabinet and was to see Premier Eduard Daladier of France, Hitler's final demands were said to include immediate demobilization of the Czechoslovak Army and occupation of Sudetenland by either Sudeten or German troops.

There was no mention of British support for these demands.

And it was doubted whether the new Czechoslovak Government, under Soldier-Premier General Jan Syrovy, was in any mood to capitulate to any demands by either Chamberlain or Hitler.

* * *

Fighting between Czechoslovak patrols and Sudeten German fighters broke out in Sudetenland near the German frontier. Railroad traffic between Germany and Czechoslovakia through that region halted.

DNB (German official news agency) reports in Berlin said Sudeten Germans had arrested 600 Czechoslovaks and held them as hostages, to be killed if Czechoslovak artillery bombarded Sudetenland towns. DNB also said a truckload of Czechoslovak Army engineers had been arrested with dynamite with which they were to have exploded bridges on the German side of the border.

Dispatches from Budapest said dawn lighted what appeared to be a solid wall of barbed wire, steel and concrete on the entire Czechoslovak-Hungarian frontier. All highway and telephone communications between the countries were discontinued.

* * *

In Spain, insurgents attacked and the Government held the Ebro salient in lower Catalonia.

In China, Japanese advanced on Hankow, China's provisional capital, from the north, but were blocked from the east.

Virtually All Europe Mobili

The Nas

zing Fuehrer Grows More Conciliatory As Other Nations Call Their Troops

Britain Puts Greatest Fleet In 15 Years In Northern Waters.

LONDON. — (A. P.) — Britain sent her largest fleet in fifteen years into northern waters today as Prime Minister Chamberlain returned from his peace talks with Adolf Hitler, declaring that upon peaceful solution of the Czechoslovak problem "turns the peace of Europe in our time."

Some forty ships of the British home fleet put to sea suddenly from Invergordon as France ordered 300,000 more men to join her 2,000,000 already under arms.

During the night and today two flotillas of destroyers joined the home fleet, which stretched for more than eight miles as it sailed away.

HITLER'S "FINAL OFFER"

Chamberlain, returning from Godesberg at 1:15 p.m., had given Czechoslovakia what was described as Hitler's "final offer" for peaceful solution of the crisis.

Looking fit, despite the strain of recent weeks, including two airplane flights to see Hitler, the Premier told the crowd at Heston airport that he must first report to the British and French Governments, and that until then "it will be difficult for me to say anything about it."

He sped to Downing Street with Foreign Secretary Viscount Halifax to meet his close advisers and later see the entire cabinet.

As the Prime Minister entered 10 Downing Street his wife kissed and embraced him.

The British fleet, which joined so suddenly in the precautionary preparations of all Europe, officers said, had arranged to attend Scots Highland games at Invergordon today. The massed bands of the fleet were ready to play when orders suddenly canceled the program and the men were recalled to their stations.

Some sources reported the fleet was bound for Scapa Flow, famous World War base.

The French Premier, Edouard Daladier, was expected here today to meet with Chamberlain as they met last Sunday to discuss the first peace plan Chamberlain brought from Hitler—for the cession of Czechoslovak Sudetenland to Germany.

STRATEGIC PLACE

Although the admiralty held the fleet movement was "not an emergency measure," it put a large array of British warships in a strategic place in the North Sea for quick action in the event of war.

At the same time the Mediternean fleet concentrated thirty-three warships at Alexandria, Egypt, ready to move at a moment's notice.

Previously various units of the southern fleet had scattered through the Mediterranean on courtesy visits, which made mobilization, if such were done, extremely slow.

Great crowds gathered in Downing Street today as cabinet members came to their offices. Police cleared the street.

Men paraded adjoining Whitehall Street bearing signs on their backs demanding the recall of Parliament. Others distributed handbills urging support for Czechoslovakia.

Europe, expecting and fearing war, was preparing.

Czech Border Patrols and Sudeten Germans In Battle.

ASCH, Czechoslovakia.—(A. P.) —Czechoslovak border patrols and Sudeten fighters fought at the frontier near Muelbach today.

The Sudetens tried to cross the border into Germany. Czechs chased, captured and took them back into Czechoslovakia.

The Czechs fired rifles, witnesses related. The Sudeten volunteer troops replied. No one apparently was injured.

Railway traffic between Germany and this section of Czechoslovakia was stopped early today, causing concern for the food supply in the isolated Asch area, which has a population of about 60,000, mostly Sudeten Germans.

The general mobilization in Czechoslovakia caused the disruption of train service.

The railways are operated by the German state railways deep into Czechoslovak territory as far as Eger. Thus the last link between the Asch area and the rest of Czechoslovakia was cut.

Asch found itself between its own road barriers, which separate it from Eger and the German customs wall.

Blocking of highways by Sudeten Germans meant that any food supplies must come in by rail. Merchants reported stocks of flour and other necessities were diminishing.

Rationing of gasoline began. Only two gallons for each automobile were sold at one time.

In Poland

WARSAW, Poland.—(U. P.)—All telephone communication with Czechoslovakia was cut off today.

WARSAW.—(A. P.)—Two leading Polish newspapers insisted today Poland was acting independently and without any basis of understanding with Germany in the Czechoslovak crisis.

The Warsaw Kurjer Warszawski and the Cracow Gurjer Illustrowany asserted Poland merely was closing her accunts with the Czechoslovaks at a propitious moment.

Illustrowany said its source was well informed and that "three is no understanding whatever, either oral or written, between Poland and Germany."

Il Duce Denounces New Czech Chief

PADUA, Italy.—(LP) — Premier Benito Mussolini told 300,000 wildly shouting Fascists today that Czechoslovakia had until October 1, one week from today, to answer Germany's proposals.

He said that if there was war it was possible that it might be localized between Germany and Czechoslovakia.

Then he added:

"However, some parties in other governments think that it is time to settle accounts with the totalitarian States. In this case these paries would find themselves not before two nations (Italy and Germany), but one nation, forming one bloc."

He said that the Czechoslovak problem must be settled "integrally and definitely." He denounced Gen. Jan Syrovy, new premier of Czechoslovakia, as a "friend of Moscow," and deplored that "millions may be killed to support the lordship of Benes"—President Eduard Benes of Czechoslovakia. He said that "Prague has six days to find the way to wisdom."

France Rushes 300,000 Men To Colors For Emergency.

PARIS.—(LP)—France ordered a partial mobilization of her army, navy and air force reserves today.

Immediately afterward, Gen. Marie Gustave Gamelin, chief of staff of the fighting forces, presided at a meeting of the superior council of national defense, the supreme military body whose members include the most brilliant men of the high command.

The government published a decree authorizing military authorities to take over the railroads, suspending the forty-hour law on railroad and auto transport, and assuring priority to military transports over passenger and ordinary freight traffic.

Against the backdrop of an intensifying European crisis, the government prepared for the ultimate emergency of war. Premier Edouard Daladier, in an explanatory communique, said there was no question of a general mobilization involved, but that "evolution of the international situation" had made the partial mobilization necessary.

First the war ministry issued its order, sending between 700,000 and 900,000 men, trained reservists, to concentration points to join the army.

NAVY FOLLOWS

Immediately afterward, it was announced that Navy Minister Cesar Campinchi had ordered a partial naval mobilization.

Next the air ministry, the third branch of the military service, issued its partial mobilization decree.

Finally, the superior war council met under Gen. Gamelin, with the marshals and high generals of the army attending. The council met at the military college, near the tomb of Napoleon.

Its duty was to study the military situation, the defense measures taken and new measures which would be necessary in an emergency.

The background of these dramatic moves was explained by Foreign Minister Georges Bonnet.

He said that Prime Minister Neville Chamberlain of Great Britain, in his early morning conference with Adolf Hitler, had agreed to transmit Hitler's final conditions in the Sudeten minority crisis to Czechoslovakia—without comment.

Bonnet said that neither the British nor French governments were putting pressure on the Czechoslovak government to accept.

Bonnet conferred with William C. Bullitt, the American ambassador, acquainting him with the extent of mobilization and emphasizing its defensive nature. He told Bullitt, it was understood, that the partial mobilization orders were intended to keep pace with the distribution of German troops.

After talking to Bullitt, Bonnet went to confer with Premier Daladier.

He returned to the foreign office to find Sir Eric Phipps awaiting him.

FLASH OF HOPE

It was said on the most reliable authority that Phipps gave Bonnet the text of Adolf Hitler's memorandum—the "final offer"—and that after reading it French leaders gained hope that peace could be saved.

One source quoted government quarters as commenting on it:

"This can be arranged."

This caused a flash of hope as reserves of the fighting forces responded to duty.

Borders Between Smaller Nations Bristle As War Preparations Made

BUDAPEST. — (A. P.) — The American legation in Budapest had a train ready today to evacuate United States citizens in an emergency.

The British legation made similar preparations.

The American train was ready to leave immediately for the coast. Trieste, Italy, on the Adriatic Sea, is the nearest port.

The legation advised all American citizens in Hungary to leave immediately if they could manage to do so.

The Hungarian-Czechoslovak border was closed. Czechoslovakia and Hungary rushed military preparations in the frontier area.

BUDAPEST.—(U. P.)—The Hungarian Army maneuvers which were scheduled to close today were prolonged indefinitely.

Telephonic communication, railway and other traffic with Czechoslovakia were suspended.

In Belgium

BRUSSELS.—(U. P.)—The Govrenment ordered partial mobilization today.

An order was issued calling up military and technical units of the Army, also the 1937 class of the artillery regiment.

A Government communique said: "On account of the evolution of the international crisis and the dispositions taken in several countries, the Government has decided to reinforce the protection of its territory.

"With this aim, it has proceeded to call up all military effectives belonging to the specialized units entrusted with certain technical works. It also called up the militia from the 1937 class of the artillery regiment.

"In all Army corps, the necessary security measures have been taken."

In Rumania

BUCHAREST, Rumania.—(U. P.)—The Government completed all arrangements for immediate mobilization of the Rumanian armed forces today.

The decree, published in the official Gazette, authorized the War Ministry to assume control of all industrial enterprises in Rumania.

Posters announcing mobilization were distributed to local authorities throughout the kingdom to be put up on a moment's notice.

A decree permitting the mobilization of women was published a week ago and it was understood that women were receiving orders concerning their wartime jobs.

NEXT PAGE

Reports from Transylvania, which Rumania obtained from Hungary after the World War, said that tension among the German and Hungarian minorities had steadily increased since Adolf Hitler's Nuremberg speech, and had reached a climax.

Pro-Hitler posters put up during the night in several towns were torn down this morning by the loyal population. The Rumanian Youth's Club held a demonstration in favor of Czechoslovakia.

In Yugoslavia

BELGRADE, Yugoslavia. — (U. P.)—Approximately 5,000 men gathered before the Czechoslovak legation today, noisily offering to fight for the Czechs.

The demonstration reflected the intense excitement prevailing in Yugoslavia since the Czechs issued their mobilization decree.

Hitler's "Final Offer" Leaves Way Open For Peace.

BERLIN.—(U. P.)—The Sudeten Germans are in complete military control of the Asch district on the northwestern Czechoslovak frontier, a spokesman for the Sudeten party headquarters told the United Press by telephone tonight.

"We have cut ourselves off completely from the Czechs," the spokesman said. "We have set up a military front with the aid of the free corps against the Czech military in the south Eger district and will never let them reenter this district."

LONDON.— (A. P.) —Official Czechoslovak circles said today that Adolf Hitler's terms for peaceful settlement of the Czechoslovak crisis called for satisfaction of Hungarian and Polish minority claims along with those of Sudeten Germans.

They said additional terms were:

1. German occupation before October 1 of all Sudeten areas where more than 75 per cent of the population is German.

2. Evacuation of all Czechoslovak soldiers and civil servants from these areas by the same date.

3. A plebiscite in remaining Sudeten districts in which the inhabitants would vote on whether they wanted to go with Germany or remain in Czechoslovakia.

BERLIN.—(U. P.)—Germany has no intention of guaranteeing the borders of the new Czechoslovakia against the self-determination claims of other nationalities, authoritative sources said today.

By LOUIS P. LOCHNER

BERLIN.—(Copyright, Associated Press.)—A man who saw a copy of Adolf Hitler's memorandum to Prime Minister Chamberlain said today it was most conciliatory in tone and gave a basis for peaceful solution.

This informant said Hitler in no way included Polish and Hungarian demands on Czechoslovakia in the memorandum, given to Chamberlain at Godesberg as Germany's final stand on the Czechoslovak question.

In fact, the informant stated, these demands were not discussed by Chamberlain and Hitler at the meeting.

The informant said the chief credit for getting Hitler to moderate his demands belonged to Ernst von Weiszaecker, State Secretary for Foreign Affairs.

GIVEN EIGHT DAYS

Eight days, the informant said, are envisaged for peaceful handing over of the Sudeten territory to Germany.

The informant said he was pledged on oath not to give this correspondent direct quotations from the text of the memorandum.

Hitler's demands, he said, were even less than those made at the meeting of Hitler and Chamberlain at Berchtesgaden September 15.

Meanwhile a semiofficial press release observed that Hitler, in the memorandum, once more put Germany's demands in the most precise terms possible and in such a manner that it was apparent Germany did everything possible to bring about a peaceful solution.

Hitler's memorandum, the press release continued, contained suggestions for carrying out what already has been conceded to Germany by Britain and France and what was accepted by the Czechoslovak Government of Milan Hodza before its resignation.

Hitler's memorandum, however, was said to be positively Germany's last offer to Czechoslovakia.

If the Czechoslovaks now decline, the press release said, they would carry the responsibility for all that might follow.

If the Czechs agree, peace would be preserved, it stated.

(Louis P. Lochner, author of this dispatch, gave on September 16 the first authoritative account of what Hitler's demands at Berchtesgaden were. They were:

(1. Cession to Germany of Czechoslovakia's Sudeten German area.

(2. Binding assurances that Czechoslovakia's foreign policy be in harmony with Germany's.

(3. Coordination, after German annexation of Sudetenland, of what is left of Czechoslovakia with Germany's economic system — Germany, for instance, to have final word on the output of the great Czechoslovak Skoda munition works and where it is sent.)

In Holland

THE HAGUE.—(U. P.)—Dutch troops have been ordered to end their present Army maneuvers and all troops have been returned to their garrisons with week-end leaves suspended.

The Government said no further precautions will be taken for the present. It was emphasized that the Government believes recent measures to reinforce the frontiers will be sufficient.

In Switzerland

BERNE, Switzerland.—(U. P.)—The Government decided today to retain under the colors the troops scheduled to be released today on conclusion of the Autumn maneuvers.

Rudolph Minger, a member of the Federal Council, told the press: "Switzerland fears the worst and is prepared for all possible eventualities."

In Norway

OSLO, Norway.—(UP)—The defense ministry announced today the provisional retention under the colors of the April contingent of naval defense conscripts, who had been scheduled to return home next week.

Blum Wants F.D.R. To Intervene

PARIS.—(U. P.)—Former Premier Leon Blum demanded in the Socialist Organ Populaire today that President Roosevelt intervene in the European crisis.

In a two-column front page box headed "Let Roosevelt Talk," Blum wrote:

"Hitler perhaps is speculating on Roosevelt's last declaration which the German press falsely interpreted.

"Let Roosevelt, the greatest authority in the temporal world, speak without waiting any longer.

"Let him proclaim a truce and suspension of measures of force. Let him propose arbitration. Let American opinion and universal opinion lend him their irresistible help.

"But time is passing, and every hour counts."

FUEHRER GIVES CZECHS UNTIL OCT. 1 BRITAIN SPEEDS WAR PREPARATIONS TO CEDE SUDETENLAND PEACEFULLY;

SERIOUS BORDER FRAYS

Sudetens' Fighting With Czechs Mounts After Mobilization

TOWN OF ASCH SECEDES

Troops of Republic Destroy Bridges and Roads Into Saxony and Bavaria

BY MELVIN K. WHITELEATHER,
Associated Press Foreign Staff.

ASCH, Czechoslovakia (Near the German Frontier), Sept. 24.—Guerrilla warfare swept today along Czechoslovakia's borders with Bavaria and Saxony, growing more serious hour by hour.

Engagements between Sudeten German free corps units, organized in Germany, and Czechoslovak forces multiplied as the result of the Prague government's general mobilization order of last night.

Fleeing Sudeten Germans were the chief cause of shooting frays reported all along the frontier.

German territory on the northwest and southwest borders of Czechoslovakia was without communication with the war-born republic except for the Asch district, a strip of land fifteen miles long and five miles wide jutting into Germany.

Asch Declares Itself Free

Asch yesterday declared itself free from Czechoslovakia and barricades were erected across all roads to prevent reoccupation by the Czechoslovak military.

What was happening at Eger, less than fifteen miles from here, was not known even in German border points, which are three miles from the city's limits. Strong military reinforcements arrived in Eger last night.

The Czechoslovak army today blew up bridges, barricades and roads all along the borders with Bavaria and Saxony. No more trains entered Czechoslovakia from those sections of Germany.

The Sudeten German free corps undertook its largest and first daylight raid this morning at Muelbach, three miles from Eger.

One machine gun was used in the action against Muelbach and Czechoslovak customs houses.

Some thirty free corps men participated in the fray and the Czechoslovaks retired down the road toward Eger, blowing up two bridges as they went.

I was in the customs house at dusk last night and it then was manned by three customs guards, one gendarme and two soldiers.

The shooting today started when free corps men operating along the frontier attempted to cover a group of Sudeten Germans fleeing from Eger near the customs house.

Sudeten Germans charged that a Czechoslovak border patrol opened fire in an effort to prevent the fugitives from escaping into Germany.

Two wings of free corps men converged on the customs house with hand grenades and the one machine gun. The Czechoslovaks, according to the Sudeten German account of the action, retired after exchanging a few shots. No casualties were reported.

Prague News Limited By Strict Censorship

LONDON, Sept. 24 (AP).—Czechoslovakia was the center of attention of the world tonight, but was virtually cut off from communicating with it.

Only diplomatic telephone calls were allowed to Prague. The chief source of news reports from the republic's capital were carefully censored announcements over the official broadcasting station, picked up on the outside.

Much of train and automobile traffic was suspended on the Czechoslovak frontiers bounding three countries who are potential foes—Germany, Hungary and Poland.

Long-distance telephone lines were clogged in all Europe's capitals, big or small.

Some form of silent censorship listened in on most all long-distance conversations.

A Czechoslovak airliner was stranded at Croydon air field here because it was unable to fly over German territory, which officials said was banned to Czechoslovak planes.

FRANCE MOVES FRONTIER FOLK

Towns on Rhine Evacuated —Government Will Go to Vichy if War Comes

PARIS, Sept. 24 (AP).—France today took a long stride in the progressive mobilization of her army, setting the pace in Europe's fearful girding for posible war over the future of Czechoslovakia.

Military authorities started evacuation of civilians from towns and villages along the German frontier.

Dwellers in the Rhine frontier region between France's Maginot line and Germany's Siegfried fortifications started leaving their homes under orders.

The French government itself was understood to have decided to quit Paris quickly in case of war. The present plans, it was said, called for removal of the premiership and other major ministries to Vichy, while secondary cabinet offices would be transferred to Angers.

2,000,000 Under Arms

The summons to the colors, plastered on city walls, published by newspapers and broadcast by radio, sent 380,000 reservists to their posts and swelled the nation's armed forces to more than 2,000,000 men, while other powers put their own armies on a war footing.

At midnight the foreign ministry announced Premier Edouard Daladier and Foreign Minister Georges Bonnet had accepted an invitation from the British government for a new conferenec in London tomorrow.

Military preparations, meanwhile, kept their swift pace.

Streets were marked off in many sections of Paris by mobile guards as engineering corps mounted anti-aircraft batteries on roofs of buildings.

Instructions were issued to cafe operators to be ready for a blackout at a moment's notice.

They were told either to be prepared to turn off all lights or else paint their windows blue.

The government of Premier Edouard Daladier stood firm on a declaration of yesterday that if Germany invaded Czechoslovakia—now that Prague had agreed to the Anglo-French dismemberment plan—France would "face her engagements."

France has a treaty commitment to defend Czechoslovakia against unprovoked aggression.

Daladier, leaving his war ministry office after ordering the first step toward mobilization, issued this statement tonight:

"The measures necessary to security taken this morning have been received and executed throughout France with the calmness and determination which the government expected of the nation.

"Our country is thus in position to pursue in calmness and dignity the important diplomatic negotiations on which depends the maintenance of peace."

A foreign ministry spokesman announced at the same time that the Quai d'Orsay understood that the only major difficulty in the Godesberg talks between Hitler and Prime Minister Chamberlain had been the question of German military occupation of Sudentenland without awaiting further diplomatic negotiations.

Bonnet Talks With Envoys

The premier was at the war ministry all day, and Bonnet held a series of conferences with American, British, Russian and Turkish envoys at the foreign ministry.

Military experts pointed out that France had checked war preparations when Chamberlain offered to make peace with Reichsfuehrer Hitler, but that German forces remained under arms at full or near full strength.

With about three weeks necessary to give full effect to total mobilization, France now had resumed her strides in that direction, they said. Under orders already executed, France would have her frontiers solidly covered with men in a week.

The government announced that all transportation facilities, including railways and busses, would be obliged to put themselves at the disposition of military authorities. Daladier signed an order giving precedence to military traffic.

The order said also that labor disputes must be held in abeyance where they were likely to affect proper functioning of transport.

Uniformed reserve officers appeared in large numbers on the streets of Paris. Throngs of curious persons and relatives of soldiers called to duty massed around army headquarters in the Hotel des Invalides and the East Railway station, where reservists were entraining for frontier posts.

The French navy previously had been placed on a virtual war footing, and Navy Minister Cesar Campinchi, after a conference with Daladier, said it was in good shape and ready to respond to the needs of the nation.

Berlin Reports Arrest Of Kundt, Henlein Aide

BERLIN, Sept. 24 (AP).—The official German news agency, DNB, reported from Prague tonight that the Sudeten leader, Deputy Ernst Kundt, had been arrested by Czechoslovak authorities.

Kundt, who often represented the Sudeten minority in negotiations with the Czechoslovak government, was a close collaborator of the Sudeten's "little fuehrer," Konrad Henlein.

DNB dispatches from Linz reported that Czechs opened heavy machine-gun fire Friday afternoon on a road along the tense frontier near Leopoldsschlag.

Inhabitants of the German village of Hammern, coming under the fire, were said to have fled further into Germany.

Simultaneously a Czech military plane was reported by DNB to have circled over neighboring territory.

Numerous DNB dispatches reported men of military age in the Sudeten areas were leaving Czechoslovakia to escape President Eduard Benes' mobilization decree.

BELGIUM TAKES STEPS TO DEFEND ITS BORDER

BRUSSELS, Sept. 24 (AP).—Alarm prevailed in parts of Belgium—overrun by Germany in the last war—as the government took precautionary defense steps today, along with other tense European nations.

It was understood approximately 4,400 men, mostly engineers among the reserves, were called to the colo[illegible]

TERMS SENT TO PRAGUE

Daladier Goes to London Today for Conference With Chamberlain

FLEET PUTS OUT TO SEA

Cabinet Hears Report From Delegate to Geneva on Possible Alliances

By the Associated Press.

LONDON, Sept. 24.—Great Britain today laid Germany's peace terms before the Czechoslovak government without an immediate attempt to dictate acceptance and speeded the country's powerful resources toward a war footing in pace with other European nations.

Masking his worry behind a smile, Prime Minister Chamberlain returned from his historic Godesberg mission bearing Reichsfuehrer Hitler's demand for transfer of the Sudetenland of Czechoslovakia to Germany by Oct. 1.

In official Czechoslovak circles tonight it was said the fuehrer in his peace terms had refused to guarantee the frontiers of the remainder of the Czechoslovak republic unless Hungary and Poland also became guarantors.

This was interpreted as being Chancellor Hitler's way of demanding Hungary and Poland also be given chunks of Czechoslovakia in which their minorities live.

Note Delivered "Without Comment"

The foreign office gave the memorandum to Jan Masaryk, Czechoslovak minister, "without comment" as Chamberlain called the "inner cabinet" into session at 3:35 p.m. Two hours later he summoned the full cabinet, which met from 5 p.m. until 7:35 p.m.

No communique was issued immediately, but it was expected parliament would be called into session early next week. The cabinet was called to meet again at 10:30 a.m. tomorrow.

Premier Edouard Daladier, of France, and Foreign Minister Georges Bonnet will fly to London tomorrow to get from Chamberlain a first-hand account of his talks with Hitler, an official announcement disclosed.

It was expected the French statesmen would confer with the prime minister and his advisers immediately after the cabinet meets.

There was no indication tonight that Britain would exert further pressure on Czechoslovakia, since the original British-French plan, accepted by Prague under strong urging from Paris and London, envisaged only transfer of the Sudeten regions.

Exchange Telegraph company (British news agency) dispatches tonight said a Czech radio announcement reported that the Prague government had promised to give "serious consideration" to Hitler's demands.

The announcement said Foreign Minister Kamil Krofta received Hitler's newest demands from Prime Minister Chamberlain, transmitted by the British minister to Prague, Basil C. Newton.

The dispatches quoted Krofta as telling Newton:

"The Czechoslovak government, conscious of the difficult situation, will certainly give serious consideration to the contents of the document you have just handed me."

Czechoslovak circles in London said that by refusing to guarantee the republic's borders unless Poland and Hungary joined him, Chancellor Hitler was raising his price of peace, by implication, to include satisfaction of the Polish and Hungarian minority demands.

Poland and Hungary, the Czechs said, would not join in any such guarantee unless their demands for return of their minorities were satisfied.

Offer Relayed as "Final"

Hitler's offer was relayed to Prague as a "final" one, but despite this there was doubt whether Czechoslovakia would accept it with Gen. Jan Syrovy, one-eyed military idol, now sitting in the premier's chair and pushing a country-wide general mobilization of the republic's forces.

Tonight Czechoslovakia was cut off from the world as scattered fighting between Sudeten Germans and Czechs occurred along the Czechoslovak-German border.

Chamberlain said upon his return here, "It is now up to the Czechs."

Tension increased throughout Europe. Nearly every nation was mobilizing, at least in part.

Millions of fighting men were called to the colors.

France, Germany and Czechoslovakia heavily prepared their troops, manning fortifications and erecting new ones. Heavy military trucks rolled through Germany.

The British fleet steamed into strategic North sea positions, some forty ships putting out from Invergordon.

In Berlin alone was a more peaceful note sounded. Hitler's terms were described as "conciliatory," and the fuehrer was pictured as demanding merely that by Oct. 1 the Sudetenland must be given to Germany.

Official Germany seemed confident

See Page Five, Column Three

Chamberlain's Petersberg hotel with Hitler's memorandum at 3 p.m. (9 a.m. eastern standard time) yesterday, the opinion in Berlin political circles was that the "final offer" would hold open until 3 p.m. next Saturday.

Gradually, additional details began to filter out concerning the Godesberg conference despite official secrecy.

It appeared that for many anxious hours Friday it was uncertain whether Hitler would agree to wait once more in the hope of a peaceful transfer of Sudetenland to Greater Germany.

Chamberlain was said to have insisted on some sort of truce on both sides.

He also argued eloquently, it was reported, that even with good will on both sides the transfer of the predominantly German-speaking sections of Sudetenland was a complicated matter involving as it did grave economic issues, the rights of minorities in the ceded territory, the treatment of Germans in the nonceded areas and the possibilities for the exchange of peoples living on the "wrong side" of the new frontiers.

Agrees Under Threat of War

To all of this Hitler, to whom reports of added French defensive measures and British fleet movements appear to have brought home the possiblity of a general war, agreed finally.

He declined, however, under present conditions to become a co-guarantor of the smaller Czechoslovakia.

A Wilhelmstrasse spokesman described Hitler's position as follows:

"No possibility exists for Germany to guarantee the new Czechoslovak border so long as an obligation to the reich may be involved to protect this border even though it be rendered questionable on account of the demands of other nationalities for self-determination.

"The situation would be different, of course, if Czechoslovakia were purged of foreign minorities which do not wish to live in the same state with the Czechs.

"Germany, however, never had designs upon soil inhabited overwhelmingly by Czechs."

A man who saw Hitler's memorandum said Hitler in no way included Polish and Hungarian demands for rights for their minorities in Czechoslovakia. He added that these demands never were discussed between Chamberlain and Hitler at Godesberg.

Hitler's final demands represented quite a softening when compared with what the inspired press in past days had led the German public to believe would be asked.

Newspapers had pictured Hitler as raising his price for peace at every passing hour and demanding full reparation for every Sudeten German killed and all property damaged or seized.

The army and air force remained prepared for eventualities.

Berlin was filled with army officers dashing about in cars camouflaged as in wartime. Often one saw hand baggage on the back seat.

Army Trucks Fill Streets

Large army trucks with trailers rumbled through the capital. Their contents were shielded under covers.

The requisitioning of private vehicles, especially trucks, continued in full force.

Dr. Theo Morell, physician to Field Marshal Hermann Wilhelm Goering, meanwhile issued a communique announcing that his patient, who became ill during the Nuremberg nazi party congress two weeks ago, was well again.

At the same time, DNB (German official news agency) announced from Alt Sternberg in East Prussia that Goering entertained King Boris, of Bulgaria, at a hunting party.

Goering is Hitler's pivotal man and the notice of his complete recovery apparently was intended to be both reassuring at home and menacing across the eastern border.

The Sudeten German free corps of Konrad Henlein continued their vigilance along the German-Czechoslovak border.

Their efforts seemed directed chiefly at helping Sudeten German deserters cross the frontier. These deserters were obeying Henlein's proclamation of last night calling on all Sudeten Germans to refuse to obey the Czechoslovak mobilization order.

The dispatch of ditch diggers to western Germany to help complete fortifications also continued unabated.

Along the border between Czechoslovakia and German Austria telephone communication with Czechoslovakia was barred to private persons.

DNB announced all railway communication between Germany and Czechoslovakia had been broken off, due to interruptions on the Czechoslovak side.

Claim Bridges Destroyed

German authorities said Czechoslovaks had blown up bridges and destroyed rails near the border.

From a number of Sudeten border sections trouble was reported.

Advices from Rohrbach said a number of shooting affrays occurred along the frontier, but casualties were unknown.

A 7 a.m. today some forty shots were exchanged between Czechoslovak frontier guards at Ebersdorf and members of the Sudeten German free corps at Siedenberg. Casualties again were unknown.

There was an increased rush of refugees from Czechoslovakia after the state's mobilization order, not only by men, but women and children.

An official German estimate said the number of fugitives totaled 127,800, but Czechoslovaks challenged the figure.

Five villages in Czechoslovakia on the Saxon border were reported evacuated completely by Sudeten Germans this morning. They were Vorderzinnwald, Hinterzinnwald, Voitsdorf, Ebersdorf and Mueglitz.

Hitler returned to Berlin early tonight from Godesberg.

His arrival went unnoticed by the public, only a few passers-by watching the fuehrer and his entourage alight from autos at the Wilhelmstrasse chancellory.

YUGOSLAVIA, RUMANIA SEEN BACKING CZECHS

BUDAPEST, Sept. 24 (AP). — Yugoslavia and Rumania were reported in reliable quarters today to have told Hungary they would go to the aid of Czechoslovakia if their Little Entente ally were attacked by Hungary.

These quarters said Yugoslavia informed the Hungarian foreign office yesterday that she would fulfill her obligations under the Little Entente pact to defend Czechoslovakia. It was learned that the Rumanian minister to Budapest took a similar step today.

It was also learned from Belgrade, Yugoslavia's capital, that Rumanian Foreign Minister Petrescue Comnen and Milan Stoyadinovch, premier and foreign minister of Yugoslavia, would confer during the week-end on the attitude of the two countries in the crisis.

In Belgrade crowds gathered in front of the Czechoslovak legation and loudly cheered Czechoslovakia. Police arrested some who tried to make speeches.

Many Yugoslavs went to the Czechoslovak legation and voluntered for the Czechoslovak army. Their services were refused with thanks.

SALVATION ARMY HEAD URGES PEACE PRAYERS

LONDON, Sept. 24 (AP).—Gen. Evangeline Booth, commander of the Salvation Army throughout the world, requested all Salvation Army centers today to abandon their routine Sunday programs and devote tomorrow to prayers for international peace.

LOYALISTS REPORT DRIVE ON CORDOBA

Insurgents, However, Assert Push Merely a Move to Divert Pressure

HENDAYE, France (At the Spanish Frontier), Sept. 24 (AP).—A new Spanish government offensive toward the insurgent's southern stronghold of Cordoba was reported in government dispatches today.

Government troops were said to be pressing toward the Guadalquivir river north of Cordoba, with several villages in its valley already under their fire.

Insurgent dispatches, however, insisted this push was merely another diversion movement designed to relieve pressure elsewhere, like the government's earlier drive toward the Teruel-Sagunto highway south of Sarrion on the central front which was checked.

An insurgent advance on the northern Ebro front, which lies north and east of Valencia, was reported continuing, although apparently troops were making slow progress.

FRENCH WORKERS QUIT PARIS STRIKE IN CRISIS

PARIS, Sept. 24 (AP). — Striking building workers in the Paris region voluntarily put an end to their strike today and rallied to the support of the government in the international crisis.

A delegation of the workers, whose numbers at the height of the strike totaled 175,000, informed Labor Minister Charles Pomaret that as much help as the government might need was at its disposal.

Dutch Cancel Maneuvers

AMSTERDAM, Sept. 24 (AP). — Because of the tense European situation, The Netherlands today canceled military maneuvers involving 200,000 men scheduled to start Monday.

ITALY CERTAIN WAR IS COMING

Duce Asserts Italy, Germany to Form 'Single Bloc' in Any General Conflict

ROME, Sept. 24 (AP).—Italians considered war almost inevitable tonight after a speech by Premier Benito Mussolini disclosing that Reichsfuehrer Adolf Hitler had given Czechoslovakia an Oct. 1 deadline for a reply to German demands.

Italy's most authoritative editor, Virginio Gayda, writing in Il Giornale d'Italia, assumed Prague would reject the German fuehrer's demands, and added:

"It may, therefore, be considered that events are moving toward an armed, bloody conflict."

Premier Mussolini, addressing 300,000 fascist blackshirts at Padua, in northeastern Italy's Venezia province, said "if the conflict must nevertheless break out, there is a possibility of localizing it," but added that in event of an ideological war against naziism, Italy and Germany would form "a single bloc."

Mussolini Accuses Benes

He said Germany "has sent requests to Prague and has given until Oct. 1 for a reply." He continued:

"There are, therefore, exactly six days for the Prague government to resume again a way of sanity, for it would be truly absurd and even criminal that Europe's millions should be hurled against one another simply to maintain the feudal lordship of (President Eduard) Benes over that land."

Then, after concluding his Padua talk, il duce went a few miles north to Belluno, where he roused an audience to a fighting fever for war by taunting fascism's adversaries "beyond the Alps" as being "too stupid to be dangerous."

His epithet appeared to be aimed at both the French and the British, for he described Italy's adversaries as those "still bound to outdated ideologies"—meaning democratic principles.

In both the Padua and Belluno speeches il duce appealed to massed crowds of blackshirts and civilians for evidence of their readiness for war. The expected answers were shouted back at him from well-disciplined ranks.

Crowds Roar Approval

"I know," he shouted at Padua, "that each of you and all of you are ready for any eventuality."

"Yes," roared back the crowd.

"Butter or cannons—which have we chosen?" he asked at Belluno.

"Cannons," came the response.

The speech at Belluno, the second of the day, was il duce's sixth brief speech within a week in support of German minority claims in Czechoslovakia. He was expected to speak again tomorrow.

Gayda, after assuming Czechoslovakia would reject the German demands and stating "it, therefore, may be considered" events are pointing to war, wrote:

"Before this probable and imminent eventuality efforts of all responsible and conscientious statesmen should be dedicated to damming up or rather localizing the clash within its immediate and natural elements and, in short, to prevent it from becoming a fatal point of a new European and world explosion."

SWEDEN IS PRAISED FOR LABOR ACCORD

Union contracts are enforcible at law, unlike in America and Great Britain.

The union contracts prohibit strikes, except sympathy strikes entered upon to assist another lawful strike.

Hours are generally fixed at forty-eight to the week, with a limited amount of overtime permitted.

Interunion disputes — jurisdictional controversies—are uncommon.

The law places no restrictions on union activities beyond those imposed upon all individuals by the ordinary police laws.

Government conciliators are provided and their work constitutes the only intervention by the government.

Notice Given on Strikes, Lockouts

All strikes and lockouts must be accompanied by a seven-day notice to the other side, which also goes to the district conciliator, together with reasons for the proposed strike or lockout.

There are no laws dealing with picketing.

Since a disastrous experience in 1931, strike-breakers are never used.

Compulsory arbitration has been abandoned after a brief trial.

The unions have interposed no objection to the use of labor-saving machinery, but have insisted upon a proportionate share in its benefits. Thus productivity per worker has increased by 33 1-3 per cent. since 1924 and real wages have risen 21 per cent.

The members of the commission were W. Ellison Chalmers, William H. Davis, Marian Dickerman, Lloyd K. Garrison, Henry I. Harriman, Charles R. Hook, Anna Marie Rosenberg, Gerard Swope and Robert J. Watt.

France Orders Killing Of All Homing Pigeons

STRASBOURG, France, Sept. 24 (AP). — All carrier pigeons in this frontier region must be destroyed immediately under military orders.

This notice, posted with mobilization and requisition orders, called upon owners of carrier pigeons to kill the birds and present the bodies to the local town hall as proof.

Violations of the order were made subject to trial by the council of war.

The order was directed against spies, since pigeons were used in the World war to carry information to the enemy.

NAZI'S TONE IS SOFTER

Hitler's Attitude Is Less Forceful as Britain, France Stiffen

BUT ARMY STAYS ALERT

Fuehrer, However, Refuses to Be a Co-Guarantor of New Czech Borders

WARSAW, Poland, Sept. 25 (Sunday) (AP).—The Polish Telegraphic agency reported today that many persons were killed during the night in a series of clashes between police and Polish minority groups at Teschen, Czechoslovakia.

Fighting lasted all night at Jablonkowo, the reports stated. An undetermined number of persons were killed.

BY LOUIS P. LOCHNER

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BERLIN, Sept. 24.—By Oct. 1 at the latest the world will know whether Czechoslovakia will yield to Reichsfuehrer Adolf Hitler's final demands to cede peacefully to Germany those sections of her Sudeten region which are overwhelmingly German.

Confronted with the possibility that Europe's western democracies might yet rally to the republic's defense unless the Sudetenland transfer were made by mutual agreement, Hitler preferred peace to war.

The fuehrer phrased his demands in such conciliatory words that Prime Minister Neville Chamberlain agreed to submit them to the Prague government, a reliable informant declared.

Hitler merely insisted that by Oct. 1 the scheme must be carried out for giving Sudeten German districts to Germany—the scheme which Britain and France importuned Czechoslovakia to accept and to which the Prague government agreed under pressure last Wednesday.

Partition No Longer Demanded

Complete dismemberment of the Czechoslovak state no longer was insisted upon, except by the implication in Hitler's refusal to become a co-guarantor of the whittled-down state's boundaries unless other minorities attained their wishes.

Offical Germany seemed confident tonight that a general European war or even a localized German-Czechoslovak conflict had been averted by the Hitler-Chamberlain negotiations at Godesberg.

The points in Hitler's stand, as outlined here by an informant who saw the fuehrer's memorandum to Chamberlain and by other sources, included:

First—Eight days, counting yesterday, are envisaged for peaceful handing over of the Sudeten German territory to Germany.

Second—If Czechoslovakia refuses, she would carry the responsibilty for all that might follow; if she agrees, peace will be preserved.

Third—Germany declines to become a co-guarantor of the new Czechoslovak boundaries unless other minorities in the republic also attain their wishes.

Fourth—Chamberlain was assured Germany had no intention of annexing territory overwhelmingly inhabited by Czechs.

Fifth—The memorandum contained positive suggestions for effecutating the transfer of such parts of the Sudeten region as were conceded to Germany by Britain and France in the plan accepted by the Prague government.

Sixth—The memorandum positively is Germany's last offer to Czechoslovakia.

Week of Tension Ahead

With Oct. 1 as the deadline, there remains another whole week in which Europe's nerves will be strained to the snapping point.

It was felt that incidents of a provocative, or at least of an irritating, nature might prove inevitable during the ensuing days, and consummate statesmanship would be required to hold opposing forces in leash.

Today everything appeared to have gone off relatively smoothly.

Germany believed that Hitler's memorandum to Chamberlain, which the prime minister forwarded to President Eduard Benes, of Czechoslovakia, opened the way for a peaceful separation of the Sudeten Germans from Czechoslovakia.

BRITAIN SPEEDS UP WAR PREPARATION

Told of Possible Allies

The British cabinet, deliberating under terrific pressure, heard what information Earl de la Warr, lord privy seal, was able to obtain in Geneva about possible allies.

If a large-scale conflict should break out, many believed Germany, Italy, Poland and Hungary would be found facing the combined might of Great Britain, France, Czechoslovakia, soviet Russia, Rumania and Turkey.

Prime Minister Chamberlain had few words for the public immediately.

"My first duty," he said, "now that I have come back is to report to the British and French governments the result of my mission * * *. I will only say this:

"I trust that all concerned will continue their efforts to solve the Czechoslovak problem peacefully, because on that turns the peace of Europe in our time."

Czechoslovak circles here said that the Hitler terms relayed to them were, in addition to the refusal to guarantee Czechoslovak frontiers without Hungarian and Polish participation:

First — German occupation before Oct. 1 of all Sudeten areas where more than 75 per cent. of the population is German.

Second—Evacuation of all Czechoslovak soldiers and civil servants from these areas by the same date.

Third—A plebiscite in the remaining Sudeten districts in which the inhabitants would vote on whether they wanted to go with Germany or remain in Czechoslovakia.

Scenes Reminiscent of World War

There were many scenes in Europe reminiscent of World war days. In France, women paled at billboards where they read mobilization decrees calling their husbands and sons to the colors.

In England, as the cabinet met, ten Germans who fought against the British in the World war laid a wreath on the cenotaph a short distance away in Whitehall.

At the foot of the cenotaph, commemorating millions of Britons who died in the World war, women prayed, and they prayed, too, in Westminster Abbey.

Also, as the cabinet met, youths carrying placards demanding recall of parliament distributed in nearby Whitehall leaflets stating "Support the Czechs."

Mounted police kept Downing street clear, except for accredited deputations arriving with resolutions. One of these was from a group of lawyers asking a firm stand against "German blackmail."

Another was from trades union organizations asking the democratic nations to stand in a bloc against "bullying tactics of Hitler."

Authorities posted air raid precaution placards in west end giving the location of gas mask stations.

Confused Whitehall crowds heard rival loud-speakers blaring from motor

vehicles, some urging the populace to get gas masks fitted, and others droning "Chamberlain must go! Stop Hitler! Recall parliament! Stand by the Czechs!"

Ireland was understood to be calling up regular reserves, since some Irishmen in London received orders to return home.

Chamberlain, Daladier, Duce to Fly to Hitler With Peace Plea

F.D.R. Advice Stops Nazi Mobilization

Roosevelt Sends Message To Mussolini Asking Him to Help.

WASHINGTON.— (A. P.) — White House attaches announced today that President Roosevelt had sent a personal message to Premier Mussolini "in the interest of preserving world peace."

The announcement was made, in response to inquiries, by Stephen Early, presidential secretary, who said the message was dispatched yesterday.

Early asserted that because the communication was personal it would not be made public textually.

He added, however, that the note dealt with preserving world peace.

WASHINGTON.—(UP)—Great hope and encouragement succeeded gloom and foreboding in Washington today as tickers flashed word to the White House and the State Department that Chancellor Adolf Hitler had consented to a four-power conference on the Sudeten dispute.

The conference plan was announced after dispatch of a second appeal by President Roosevelt to Hitler challenging the chancellor's contention that the choice of peace or war lay with Czechoslovakia. He suggested to Hitler an immediate conference of directly interested powers.

Sources close to the White House indicated the hope which bloomed with the conference announcement. It was not indicated, however, whether President Roosevelt's message had any bearing on the conference decision. But there was apparent around the White House an optimism which was not apparent last night when the Roosevelt messafie was dispatched.

Prime Minister Gets Historic Invitation As He Is Speaking.

LONDON.—(A. P.)—Prime Minister Chamberlain announced the postponement of German mobilization to the House of Commons today and showed Parliament and the world a possibility of averting a world war.

He said he, Premier Daladier of France and Premier Mussolini had been invited to meet Chancellor Hitler at Munich tomorrow.

America's President Roosevelt was the first to suggest an international conference of this sort to avert a world war.

Mussolini Becomes Key Man in Crisis

ROME.—(U. P.)—A hint that broader European problems than the Czech crisis would be considered at the Munich four-power conference was given today when authoritative sources reported that Italian volunteers had been ordered withdrawn from the Spanish civil war.

It was said on reliable authority that Premier Benito Mussolini had ordered immediate withdrawal of Italian forces fighting with the Nationalist army in Spain. The presence of the Italians on Spanish soil has been the chief obstacle to putting into effect the British-Italian friendship treaty.

ROME.—(A. P.)—Premier Mussolini, suddenly become the central figure of Europe's efforts to avert war, left Rome at 11 a.m. (Chattanooga time) for Munich, where he is to meet tomorrow with Prime Minister Chamberlain, Chancellor Hitler and Premier Daladier.

Il Duce was accompanied by his foreign minister and son-in-law, Count Galeazzo Ciano.

A vast crowd, evidently relieved at the momentary lifting of the war clouds, gave Mussolini an uproarious sendoff as he departed to assume the role of mediator in the German-Czechoslovak crisis.

He accepted the responsibility, informed sources said, at the request of Great Britain in a desperate effort to avert war. A personal mesasge from President Roosevelt, received at the crucial moment, also may have influenced his acceptance.

After receiving a personal message from Prime Minister Chamberlain of Great Britain, Il Duce immediately got in touch with Reichsfuehrer Hitler, presumably by telephone.

Subsequently it was announced that Mussolini, Hitler, Chamberlain and Premier Daladier of France would meet in Munich tomorrow morning.

Ambassador William Phillips of

the United States went to Il Duce's office in the Palazzo Venezia to deliver Mr. Roosevelt's message, the contents of which were not emmediately divulged.

From private sources diplomats heard that Hitler had acepted Mussolini as mediator and that Eduard Benes had resigned as President of Czechoslovakia. This latter report, however, lackec confirmation.

Great relief was apparent in Italian circles when word came of the scheduled four-power conference at Munich.

Il Duce had been represented in foreign circles as piqued at the failure of other statesmen to invite him to take a large role in the efforts for a Sudeten settlement.

The messages of President Roosevelt and Chamberlain were regarded in these quarters as having eliminated any trace of possible friction over these seeming slights.

The Earl of Perth, the British ambassador, conveyed Chamberlain's message to Count Galeazzo Ciano, Italian Foreign Minister, for delivery to Mussolini.

Renewed Attempt at Peace Just What F.D.R. Sought

President Highly Pleased Negotiations He Urged Will Be Continued

WASHINGTON, Sept. 28 (AP).—Washington heartily applauded tonight the decision of Europe's great nations to try the conference table again instead of resorting to the battlefield.

President Roosevelt, the author of repeated appeals for peace and, too, of a letter which urged Premier Mussolini to take a hand in the situation, was tremendously pleased.

Whatever the extent to which his efforts influenced the day's historic turn of events, the result was exactly what he had urgently requested—that there be no breakdown of negotiations, lest a devastating war ensue.

Although opinions varied as to the outcome of tomorrow's session in Munich, to be attended by Chamberlain, of England; Daladier, of France, and Hitler, of Germany, with Mussolini as mediator, the view was general that an immensely heartening breathing spell had been provided.

Russia Agrees to Appeal to Czechs, Nazis, but Is Wary of New Talks

MOSCOW, Sept. 29 (Thursday) (AP).—The United States yesterday suggested to the soviet Russian government that it address a peace appeal to Germany and Czechoslovakia similar to that sent to the two countries by President Roosevelt early Monday.

Early today the soviet foreign office announced acceptance of the proposal.

(President Roosevelt asked Japan also to send such an appeal. The Japanese foreign office said it would give the suggestion "serious consideration.")

In a note communicated to Alexander Kirk United States charge d'affaires, by Vladimir Potemkin, assistant foreign commissar, the soviet government warmly indorsed also President Roosevelt's suggestion for an international conference to settle the Czechoslovak crisis and offered to take an active part in it.

Kirk called upon Potemkin and transmitted the American state department's suggestion that Russia appeal to the two disputing nations.

The reply issued this morning took note also of the suggestion for an international conference made by President Roosevelt in an appeal Tuesday to Chancellor Hitler.

The foreign office called attention to the soviet union's support of another American peace proposal—the Kellogg peace pact—and stressed that soviet Russia always has been guided in its foreign policy by an aim of general peace and rejection of the use of force for solution of international conflicts.

What's Next After Munich? Opinion in Europe Divided

London and Berlin Extremely Confident, Paris Doubtful, Excluded Moscow Pessimistic and Rome Not Optimistic of Events to Come

By the Associated Press.

What next after Munich?

Czechoslovakia, the "mosaic state," created in the World war, must find a new design for living.

Germany today is in Sudetenland with her goose-stepping army.

Within a week she will have a rim of Sudeten districts extending more than half-way around the war-born republic. Plebiscites shortly may give her a total of one-fifth the population and land of the "mosaic state."

Poland strikes while the iron is hot for her piece of the shrinking state. Before 2 p.m. (8 a.m., eastern standard time) today she is to get the part of the city of Teschen on the Czechoslovak side of the border, and within ten days the remainder of the Teschen district and the entire district of Freistadt.

Hungary also has claims on Czechoslovakia for the Hungarians living there. Her problems remain to be settled.

Does the carving of Czechoslovakia set a precedent for more bickering in troubled Europe?

Or has the era of a new deal with peace triumphant been inaugurated?

What about Hitler's pledge that Sudetenland constitutes his last demand for territory in Europe?

In all this:

Germany sees the way flung open to an eventual understanding with France, to the return of her colonies, to great economic gains. Some former German regions in Europe may fall into her lap like ripe plums—without Hitler violating his pledge.

Great Britain sees, despite the Hitler-Chamberlain declaration for peaceful consultation, she will have a big bill to pay to make peace last.

France sees soviet Russia excluded from Europe's councils and the possibility she herself will be entirely at the mercy of Great Britain in a future four-power rule of the continent.

Soviet Russia sees the will of the masses buried and warns that Poland may be "the next victim" of partition.

Italy sees as the next problem the question of Spain, which would open the way for the Anglo-Italian Easter accord and resumption of good relations with France. But fascists approach the future cautiously.

In the following five dispatches the chiefs of the Associated Press bureaus in Berlin, London, Paris, Moscow and Rome analyze the question:

What next after Munich?

Berlin Foreign Policy Has Three Objectives

BY LOUIS P. LOCHNER

BERLIN, Oct. 1.—An eventual German understanding with France, colonies from whoever can be persuaded to cede them, a commercial treaty with the United States, economic penetration of the Balkans

OVER →

All these are the next objectives of German foreign policy unless all signs mislead.

With these objectives reached the world would be dominated by five major groups:

One—The Rome-Berlin axis.

Two—The Anglo-French alliance.

Three—The soviet union.

Four—Japan.

Five—The United States, with her Latin-American sisters.

POLISH TROOPS TAKE TESCHEN

Soldiers Carry Flowers as They Occupy Territory Yielded by Czechs

TESCHEN (On the Czechoslovak-Polish Frontier), Oct. 2 (AP).—Polish troops with flowers in their arms marched across the frontier bridge today to occupy the Teschen region given up by Czechoslovakia to Poland.

The soldiers, followed by civilians, crossed the River Olsa at 2:05 p.m. (8:05 a.m., eastern standard time).

In the next ten days the troops gradually will occupy 300 square miles with a population of more than 200,000, most of whom are Polish.

Czechoslovak troops began evacuating Teschen yesterday.

Marshal Edward Smigly-Rydz, inspector-general of the Polish army, spoke over the national radio from Warsaw to the soldiers waiting for the order to cross into the territory.

No Longer Frontier River

The River Olsa, he said, no longer is a frontier river.

He asked his listeners to pay tribute "to all those who, without a soldier's uniform, sacrificed their lives for the return of the Olsa."

Crisply then he commanded:

"March!"

At that moment there ended the last conference between Polish and Czechoslovak officers for ironing out details of the occupation.

Polish airplanes circled overhead and the first Polish soldier, astride a motorcycle, appeared on the bridge.

Troops followed, crossing for the first time in two decades the river which had marked the split of Teschen into Polish and Czechoslovak territory.

The soldiers carried bouquets. As they passed down the streets flowers were showered down from roofs and windows.

Soviet School Children Are Told Munich Accord Will Hasten War

By the Associated Press.

MOSCOW, Oct. 2.—This was the simple tale that the pioneer Pravda, soviet Russia's newspaper for school children, told today to explain how Germany was ceded the Sudetenland:

"As might have been expected, nothing good for peace or Czechoslovakia came out of the Munich conference.

"It was not a real conference, but a bargain between four imperial beasts of prey, with England and France paying for postponement of a world war with slices of the unfortunate Czechoslovak republic.

"Under the appearance of defending the peace, the big capitalist states surrendered the small country to be torn to pieces by German fascists.

"The governments of England and France tried to conceal their crime under loud protestations about safeguarding the peace of Europe."

However, the story continued, "cowardly and treacherous conduct by England and France has not postponed but hastened" developments leading to a world conflict."

"They soon will have to pay for their ignoble policy," the story ended.

The Geneva correspondent of Izvestia, the government newspaper, again charged that British and French ruling classes preferred to capitulate to Hitler rather than risk giving arms to their masses. He declared the result would be more concessions to Italy and Germany later.

Newspapers reporting the end of autumn maneuvers of the soviet union's Baltic fleet said the navy demonstrated its ability to defend Russia's sea borders and its "readiness to administer a destructive blow against any aggressor."

Gay Girls Jam Streets

Gay Polish girls in colorful national costumes and miners with their holiday caps decorated with bright feathers jammed the streets.

The bridge over which the army passed had been mined by the Czechoslovaks until Friday when Polish insurgents removed the explosives.

Following a regiment of Carpathian sharpshooters and Polish infantry came Polish Silesian insurgents who had fled to Poland in the last few weeks.

All Poland continued to rejoice over the peaceful cession of the territory. Thanksgiving services were held in all churches.

In Pilsudski square in Warsaw a band played a music marathon, playing gay marches almost endlessly from the early morning hours—entertaining a huge and happy crowd.

The whole territory which Poland is getting without a plebiscite is to be occupied by 1 p.m. (7 a.m., eastern standard time) Oct. 10.

France, Germany Will Forget Old Rivalry, Daladier Says; Chamberlain Gets Scolding

ut Britain Is Sure to Back Prime Minister

LONDON.—(A. P.)—Earl Baldwin, Neville Chamberlain's predecessor as Prime Minister, indorsed today Chamberlain's Munich accord while the angry opposition renewed its assault on that pact for the dismemberment of Czechoslovakia.

Baldwin, in his maiden speech in the House of Lords, declared that "when the Prime Minister took that decision to go to Berchtesgaden there was nothing else on earth he could have done and I thank God that he was able to do it."

While Baldwin spoke, the Labor opposition in the House of Commons bitterly assailed Chamberlain for the four-power Munich agreement. It was the second day of debate on the Prime Minister's policies, which was expected to continue through tomorrow.

"I rejoice that these meetings (between Chamberlain and Adolf Hitler) have taken place," Baldwin told a cheering House, "and in what my old colleague and present chief has accomplished. I know no other man who would have brought it to a successful issue."

Baldwin was given a tremendous ovation. It was his first speech in Parliament since May, 1937, when, still a commoner, he ke in the lower house.

Premier Asks New Financial Authority

PARIS.—(A. P.)—Premier Daladier announced today the beginning of a new era of friendly relations with Germany and Italy and paid homage to President Roosevelt's peace messages during Europe's crisis week.

The Chamber of Deputies stood as one man to cheer when the premier spoke of "the great, generous and logical voice of President Roosevelt" in referring to the President's appeals.

Reading a ministerial declaration on the four-power agreement over Czechoslovakia, he said that his meeting with Adolf Hitler at Munich last week marked the start of friendly relations between France and Germany.

He declared France had decided to send an ambassador to Rome to resume cordial relations with Italy, in a virtual state of suspension for two years owing to France's refusal to recognize the conquest of Ethiopia.

The premier carried into the session cabinet approval for proposed decree powers to "rebuild France's economy and finances."

Hitler Pro They'll

Wildly Cheering With Flowers a of Annexed

BY ME

expense or of any great at the cost of grave in small friendly nation, Cz which was not even h own defense.

We must all reluctantl the Munich proposals, w they may be, are not nation. The time allow proposals is cruelly shor

SEES LOAN TO CZE ACT OF COMPENSAT

The loan (of 10,000 ($50,000,000) by Britain slovakia is not only a q loan for reconstruction also the problem of c

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WITH THE GERMAN ARMY OF OCCUPATION IN SUDETENLAND, Oct. 3.—Reichsfuehrer Adolf Hitler rode victoriously into the Sudetenland today and proclaimed the region part of Germany with the pledge that "never again will this land be torn away from the reich."

He entered the Sudetenland with his soldiers, airplanes, armored cars and artillery. The populace, cheering wildly, strewed his path with flowers and shouted, "We thank our fuehrer!"

The chancellor rode in triumph for forty miles through Zone 3 of the newly acquired territory, completing the procession at dusk and returning to Germany.

The populace raised deafening cheers for the soldiers, but these were dwarfed as the fuehrer himself arrived in an open car, accompanied by Konrad Henlein, Sudeten German party leader and now Germany's commissioner for Sudetenland.

The procession moved over crowd-lined streets and roads seventeen miles from Wildenau to Eger, through Haslau, Asch and Franzensbad, Hitler standing in the front of a big open automobile preceded by two armored cars and followed by his long retinue.

Myriads of nazi banners and other decorations were brought out for the occasion. All along the road at regular intervals were banners reading, "Thanks to our deliverer!"

The reichsfuehrer looked straight ahead, unsmiling, his hand outstretched in nazi salute to acknowledge the cheers. He drove directly to the market place of Eger and mounted a large tribune which had been erected overnight.

He addressed the crowd for six minutes.

"Today," he said, "I may for the first time greet you as my Egerlanders. * * *

"This greeting is, however, at the same time a pledge: Never again will this land be torn away from the reich.

Tonight he went to Hof, not far west of Eger, to sleep in his special train. Tomorrow he will return to the Sudetenland to visit Graslitz, Bleistadt, Falkenau and Koenigsberg.

Hitler began the procession at 11:16 a.m. (5:15 a.m., eastern standard time) at Wildenau, half a mile from Asch, heart of the Sudetenland ceded to Germany by Czechoslovakia.

About three hours earlier, at 8:05 a.m., 2,000 soldiers of the German army under Gen. Walther von Reichenau began occupation of Zone 3, the Asch-Eger region, of the new German acquisitions.

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PARIS.—(A. P.)—Premier Daladier announced today the beginning of a new era of friendly relations with Germany and Italy and paid homage to President Roosevelt's peace messages during Europe's crisis week.

The Chamber of Deputies stood as one man to cheer when the premier spoke of "the great, generous and logical voice of President Roosevelt" in referring to the President's appeals.

Reading a ministerial declaration on the four-power agreement over Czechoslovakia, he said that his meeting with Adolf Hitler at Munich last week marked the start of friendly relations between France and Germany.

He declared France had decided to send an ambassador to Rome to resume cordial relations with Italy, in a virtual state of suspension for two years owing to France's refusal to recognize the conquest of Ethiopia.

The premier carried into the session cabinet approval for proposed decree powers to "rebuild France's economy and finances."

Hitler Promises Sudetens They'll Always Be in Reich

Wildly Cheering Populace Strews Fuehrer's Path With Flowers as He Enters—Triumphant Tour of Annexed Area to Be Continued Today

BY MELVIN K. WHITELEATHER,
Associated Press Foreign Staff.

WITH THE GERMAN ARMY OF OCCUPATION IN SUDETENLAND, Oct. 3.—Reichsfuehrer Adolf Hitler rode victoriously into the Sudetenland today and proclaimed the region part of Germany with the pledge that "never again will this land be torn away from the reich."

He entered the Sudetenland with his soldiers, airplanes, armored cars and artillery. The populace, cheering wildly, strewed his path with flowers and shouted, "We thank our fuehrer!"

The chancellor rode in triumph for forty miles through Zone 3 of the newly acquired territory, completing the procession at dusk and returning to Germany.

The populace raised deafening cheers for the soldiers, but these were dwarfed as the fuehrer himself arrived in an open car, accompanied by Konrad Henlein, Sudeten German party leader and now Germany's commissioner for Sudetenland.

The procession moved over crowd-lined streets and roads seventeen miles from Wildenau to Eger, through Haslau, Asch and Franzensbad, Hitler standing in the front of a big open automobile preceded by two armored cars and followed by his long retinue.

Myriads of nazi banners and other decorations were brought out for the occasion. All along the road at regular intervals were banners reading, "Thanks to our deliverer!"

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e crowd for six

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however, at the Never again will ay from the reich.

Tonight he went to Hof, not far west of Eger, to sleep in his special train. Tomorrow he will return to the Sudetenland to visit Graslitz, Bleistadt, Falkenau and Koenigsberg.

Hitler began the procession at 11:16 a.m. (5:15 a.m., eastern standard time) at Wildenau, half a mile from Asch, heart of the Sudetenland ceded to Germany by Czechoslovakia.

About three hours earlier, at 8:05 a.m., 2,000 soldiers of the German army under Gen. Walther von Reichenau began occupation of Zone 3, the Asch-Eger region, of the new German acquisitions.

CHAMBERLAIN DECLARES CIVILIZATION WAS SAVED BY FOUR MEN AT MUNICH

CRITICS JEER AT WORDS

Premier Counters Taunts With 'I Have Nothing to Be Ashamed Of'

CZECH LOAN ANNOUNCED

Resigned Navy Chief Asserts the Price Paid for Peace 'Stuck in My Throat'

Texts of speeches by Chamberlain and Duff Cooper—Page 10.

LONDON, Oct. 3 (AP).—Prime Minister Neville Chamberlain drove home to the somber house of commons today his blunt belief that four men at Munich—Hitler, Mussolini, Daladier and himself—saved civilization "as we have known it."

He steadfastly backed all he had done.

Voices of dismay, humiliation and rage preceded and followed his fifty-five-minute address explaining and justifying the accord at Munich which dismembered Czechoslovakia.

Alfred Duff Cooper, the man who until Saturday was Chamberlain's first lord of the admiralty, sobbed as he cried out that the price of peace at Munich "stuck in my throat."

But Chamberlain replied:

"I have nothing to be ashamed of. Those who have may hang their heads."

GERMANY PREPARES TO BILL CZECHS FOR 'REPARATIONS'

ECONOMIC LEVER SEEN

'Injustices' to Sudetens Since 1918 Basis of Berlin's Claims

ZONE 5 IS DETERMINED

Oct. 28, 1918, Populations to Designate the Areas for Plebiscites

BY LOUIS P. LOCHNER

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BERLIN, Oct. 5.—The international Sudetenland commission today arrived at an agreement on additional Sudetenland territory to be occupied by German troops outside the four existing zones by Monday, Oct. 10.

The new delimitations were decided upon as Germany prepared to bill Czechoslovakia for "reparations" dating back to the birth of the republic. Observers considered the demand a powerful lever to force Czechoslovakia into Germany's economic system.

Official sources did not indicate the total area involved in the new zone, but measurements on the map indicated it was about 5,000 square miles (about one-tenth the area of New York state), or approximately one-fourth the whole Sudeten area of 20,000 square miles which is claimed by Germany.

(The total area of Bohemia and Moravia, the two western provinces of Czechoslovakia, is about 30,000 square miles.)

On the south the German border will be pushed forward to an irregular depth of an average of about twenty miles.

At one point—Leitmeritz—the new border will be about thirty miles from the Czechoslovak capital of Prague.

The territory thus ceded to Germany without the formality of a plebiscite includes the world-wide known glass manufacturing city of Gablonz, of 33,000 population, and Czechoslovakia's principal textile center, Reichenberg, a city of 38,000 population.

Westward the new zone embraces the important lignite basin of Dux and Bruex and the hop producing district of Saaz upon which the brewing industry at Pilsen depends.

In the south two of the principal cities given to Germany include Znaim, founded in 1226 and famed for its pottery and wine, and Nikilsburg, where the peace was signed ending the Austro-Prussian war of 1866.

The new territory was determined after the commission had bowed to the German viewpoint and accepted Oct. 28, 1918, as the date for determining the national complexion of the areas beyond the four zones agreed upon for immediate occupation by the Munich accord.

The commission further agreed that a 51 per cent. German population would be enough to declare any city, village or district German.

CHAMBERLAIN PEACE POLICY IS RATIFIED BY PARLIAMENT; SLOVAKS GET INDEPENDENCE

STRONGER UNITY IS AIM

New Autonomous State to Co-Operate in Efforts to Save the Nation

'PRIME MINISTER' NAMED

Czech Half of the Republic Is Almost in State of Siege as Germans Close In

By the Associated Press.

PRAGUE, Oct. 6.—The Czechoslovak government launched a determined program today to build a more unified republic by granting the Slovaks autonomy within the government framework of the nation.

The first step came with the appointment of Dr. Joseph Tisot, vice-president of the Slovak people's party, as "prime minister for Slovakia" in the new Prague government.

His appointment was requested by the Slovak people's party, which formed a coalition with two other Slovak political groups—the nationalists and agrarians.

The Slovaks, holding their congress at Zilina, affirmed their independence, but promised co-operation with the Czechs in an effort to maintain the republic.

HOUSE VOTE IS 366-144

Prime Minister Says His Actions Saved Europe From Armageddon

WAR PREPARATIONS SPED

British Leader Opposes Plan to Call World Conference on Peace, Economics

Foreign at a Glance

By the Associated Press.

Berlin—Germany and Czechoslovakia may settle question of mixed population areas without plebiscites; German army moves further into ceded districts as Sudeten Germans hail Hitler at Rumburg.

London—House of commons votes 336 to 144 to uphold Prime Minister Chamberlain's Munich accord carving up Czechoslovakia after he defends actions; Chamberlain opposes any immediate general election.

Prague—Slovaks granted autonomy as Prague government drives toward welding Czechs and Slovaks into firmer coalition to hold remnant of republic; demarcation of Fifth zone for Germany cuts communications and cedes vital industries to Germany over Czech protests.

Paris—Foreign Minister Bonnet intimates France still wants soviet Russia on her side; hopes soviets will join in guaranteeing new Czechoslovak frontiers; demobilization under way.

With German Army—Czechoslovak fortifications falling peacefully to German army of occupation.

Rome—Fascist grand council meets to hear il duce tell of current international affairs and draft sweeping measures controlling Jews.

LONDON, Oct. 6 (AP).—The house of commons today overwhelmingly ratified the government's peace policy, which Prime Minister Neville Chamberlain said saved "Czechoslovakia from destruction and Europe from Armageddon."

Even as he wound up the four- [illegible] increasingly by

Fate of Mixed Czech Areas May Not Hinge on Plebiscite

German Soldiers March Into Fourth Conceded Zone After Commission Defines Additional Area for Occupation—Czechs Protest

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Oct. 6.—Both German and Czechoslovak sources indicated tonight their countries might settle the issue of Sudetenland areas with mixed populations without resorting to a plebiscite.

The question of the mixed areas is the next to be solved in the progressive realization of the terms of the four-power Munich accord.

That accord marked out four zones in Czechoslovakia to be occupied by tomorrow by German troops—and the last of the zones was in process of occupation today.

It also empowered the international commission now functioning in Berlin to determine the remaining territory of preponderantly German character to be occupied by German soldiers by next Monday.

The commission defined this area last night, and it was estimated that it and the four zones granted at Munich would give Germany approximately 5,000 square miles.

German officials described as "negligible" Czechoslovak charges from Geneva that the fifth zone went beyond the territorial transfers envisaged by the Munich four-power conference.

Charges from Prague that the terms of the commission's decision were "cruel" and that the extent of the new zone far surpassed Czechoslovak expectations were similarly received.

The commission's award was considered final.

The next step for the international commission under the Munich accord

would be to determine territories which would vote in a plebiscite for union with Germany or for staying with Czechoslovakia.

But so favorably have negotiations progressed since yesterday's resignation of Eduard Benes as president of Czechoslovakia that prospects brightened every hour for settling the question of the mixed areas without the necessity of a plebiscite.

It was stated emphatically that no threat of any kind had been issued on the part of Germany to compel action by the commission favorable to her.

The commission, it was said, was proceeding on the basis of the Munich agreement, and Germany had done nothing to exceed what was conceded there.

On the contrary, one nazi spokesman said, "we would be fools to disturb an all-around European understanding now in the process of making by haggling over this or that village or this or that rural district."

He admitted, however, there had been somewhat of a tussle yesterday over the agreement on what date was to be taken for determining the complexion of the population to set out the predominantly German areas to be occupied by Monday.

The Czechoslovaks protested at using the 1910 population figures for delimiting the fifth zone.

HITLER'S ARMY IN CZECH AREA, REUTERS SAYS

News Agency Reports Nazis Ten Miles Over Line in One Spot Near Pilsen

By the Associated Press.

PRAGUE, Oct. 11.—Hungarian troops today completed symbolic occupations of two former Czechoslovak border towns—Ipolysag and Satoralja Ujhely—pending settlement of Hungary's territorial and minority demands.

The Prague government, meanwhile, wrestled with problems arising from German occupation of Sudetenland, particularly the presence in Czechoslovakia of 10,000 refugees from Sudetenland.

A British news agency (Reuters) dispatch from Prague to London today said encroachments on Czechoslovak territory by the German army were reported from several parts of the new frontier.

Near Pilsen it was asserted that Germans crossed the line at five points despite protests from Czechoslovak observers and penetrated ten mi[illegible] one place.

CZECHS REJECT AREA DEMANDS OF HUNGARIANS

Talks Regarding Portions of Slovakia to Be Given Up Result in Deadlock

HITLER MAY BE MEDIATOR

Troops on Both Sides of the Frontier Appear Prepared for Open Hostilities

By the Associated Press.

KOMAROM (On the Czechoslovak-Hungarian Border), Oct. 12.—Czechoslovakia negotiators today rejected Hungarian claims for the predominantly Hungarian population in certain parts of Czechoslovakia.

It was authoritatively reported that Hungary would walk out of the conference tomorrow unless her demands were met, though the negotiators were scheduled to meet at 9 a.m. (2 a.m., central standard time) tomorrow to resume the negotiations.

With the talks in deadlock, the Slovak delegation, sources close to that delegation said, had decided to ask the mediation of Chancellor Adolf Hitler of Germany.

Troops on both sides of the frontier appeared to be impatient.

Hungarians and Czechs Clash Along Border

China Rushes Reinforcements To Halt Japs In the South.

KOMAROM, Hungary (on the Czechoslovak Border).—(A. P.)—The Hungarian delegation to the Komarom conference declared tonight that negotiations on Hungary's demands for cession of Czechoslovak territory had been broken off.

(Compiled from Associated Press and United Press cable dispatches.)

Hungary handed Czechoslovakia an ultimatum demanding cession of territory Hungary believes should be hers by 6 p.m., and thousands of troops were on each side of the Hungarian-Czechoslovak border awaiting orders.

From Komarom, on the Czech-Hungarian frontier, official dispatches disclosed a reign of terror in Ruthenia by organized bands equipped with foreign arms and led by Hungarian reserve officers. The news caused a grave crisis in Czech negotiations for settlement of Hungary's minority demands.

The official Czech advices from Ruthania, which Hungary has demanded be ceded to her, reported sporadic fighting in which at least two Czechoslovaks were killed and many Hungarians were arrested. Martial law was invoked by the Prague government.

RECENT CRISIS IN EUROPE STARTS U.S. TO PLANNING IMPROVEMENT IN DEFENSE

PROGRAM IS FOURFOLD

More Army, Navy Funds, Increase in Airplane Output Discussed

STUDY UTILITY BUILDING

Vast Construction of Power Lines as Manufacturing Guard Is Considered

By the Associated Press.

WASHINGTON, Oct. 14.—High officials of the federal government, with Europe's recent crisis fresh in their minds, worked tonight on a tremendous, four-fold program to strengthen and modernize national defense methods.

President Roosevelt informed his press conference today that defenses were being completely re-examined in the light of world conditions. Later his aides made known that they were discussing these four points:

First—Larger appropriations for the army.

Second—Larger appropriations for the navy.

Third—New techniques, especially mass production of airplanes, now proceeding on a large scale abroad.

Fourth—Methods of stimulating a billion dollars' worth of construction work by private utilities, for the purpose of assuring power to vital manufacturing centers in war time, and for spurring economic recovery immediately.

Land of The Free

VIENNA. — (A. P.) — United States consular officials reported today a "considerable increase" in the number of Sudeten Germans applying for entry into the United States.

They said applications began to pour in, chiefly from Jews, as soon as it became clear the Sudeten territory was to be absorbed by Germany.

So many residents of German Austria want to emigrate to the United States that under the present quota of 600 a month it would take more than nine years for all the applicants to get past Ellis Island. The consulate already has a waiting list of 65,000 names.

200,000 MORE MEN CALLED IN HUNGARY

From Page One

least twenty miles between Hungary and Poland.

This apparently was in order that Germany might have direct access to Rumania in the event Germany's proposal for a close economic relationship with Czechoslovakia is realized.

The Czechoslovak military attache today called at the Hungarian war office to discuss conditions for the release of Hungarian irregulars captured lately by Czechoslovak forces on Czechoslovak territory.

The irregulars, mostly recruited by Hungarian national socialist parties, were said to number only a few thousand. So far, it was said, they had tried to engage Czechoslovak troops only in guerrilla warfare.

Hungary Calls 200,000 Men To Back Territorial Claims

Mobilization Order Will Bring Army Strength to 420,000 as Tension Increases — Cabinet Studies Opinions of Hitler, Mussolini

By the Associated Press.

BUDAPEST, Oct. 14.—The Hungarian government tonight ordered mobilization of five army classes totaling approximately 200,000 men after failure to obtain from Czechoslovakia satisfaction of Hungary's territorial claims.

It was understood the mobilization, to be decreed formally by the war minister tomorrow, would bring to 420,000 the number of Hungarian troops under arms in the border crisis intensified by the breakdown of direct negotiations between the two nations.

Announcement of the mobilization decision was made after a three-and-a-half-hour cabinet meeting tonight. An earlier communique had said "additional military measures" would be necessary because of Hungarian-Czechoslovak tension.

Reinforcements of troops massed in border regions was ordered as Hungary got reports from emissaries sent to Reichsfuehrer Hitler and Premier Mussolini seeking support of Hungary's territorial claims against Czechoslovakia.

The cabinet council tonight studied messages from the two men who went to Munich and Rome—former Premier Koloman Daranyi, who saw Hitler, and Count Csaky, who visited Mussolini.

Billboard announcements tomorrow will tell the populace of the mobilization. Classes called to the colors are to report to their regiments by Monday.

Tonight's announcement said the step had been taken for the security of the nation and was unavoidable since the breakdown yesterday of Komarom negotiations.

Earlier diplomatic circles reported mobilization had been postponed at the request of "great foreign powers" especially Germany.

According to some reports here, Hitler and Mussolini offered Hungary their personal mediation to end the minorities deadlock.

(German dispatches said Hitler was able to assure the Hungarian mission that he had talked plainly to Czechoslovakia and that Hungary might rest content her legitimate demands would be met.)

It was believed, however, one major difference existed between Hitler and Mussolini regarding the Hungarian claims. This was said to be Hungary's demand for a common border with Poland, which presumably would mean a cession of at least a strip of Ruthenia, Czechoslovakia's easternmost section.

DUCE PUSHES PLAN TO REMODEL ITALY

Easy-Going, Mandolin-Playing Character of Old Is Out, Declares Mussolini

BY EDWARD KENNEDY,
Associated Press Foreign Staff.

ROME.—Mussolini, trying harder than ever to remake the Italian people, has opened a new intensive campaign to stamp out what is left of the spontaneous, happy-go-lucky Italian nature of the past.

The "easy-going, disorganized, amusing, mandolin-playing Italy of ancient times" is definitely out of the new order of things, says the duce.

He wants the Italian people to be "organized, solid, silent and powerful" —a warrior folk, living like lions and ready to sacrifice all for the fatherland.

In his recent sword-rattling speech at Udine, he declared:

"The fascist march is not yet finished and nobody will stop us.

"Evidently many foreigners preferred the Italy of another epoch. Many foreigners whom we have every right to scorn believed the Italian people should exist simply to entertain people from other countries.

"All this is finished irrevocably. We prefer to be feared, and hatred makes no difference to us because we scorn it."

The Italian people have already been proclaimed Aryan, and have been told that the Nordic hero type is not confined to the north, but is none other than the ideal man that Italian artists have always glorified.

They have been given the goose-step, which the fascist regime asserts is but the Roman step of old.

Civilian employes of the government have been ordered to wear uniforms at work as a reminder of "the entire spiritual mobilization of the country, with character always more military."

The spirit of Latinity, for centures exalted in Italian art and literature, now is dismissed lightly by the controlled press.

Latinity ended with the fall of Rome, Italians are told, and in modern times has served only as a catchword used by the French to bait Italy when they wanted to get something from her.

Blondes have become more numerous among the fair sex in Italy, both in advertising posters and in life.

The trend is linked closely with the Rome-Berlin axis, binding Italy with Germany, her chosen ally of recent years.

Before the friendship developed there was little glorification of what then in Italy was frequently called "the barbarians of the north."

BENITO MUSSOLINI

BRITAIN STILL PINS ITS FAITH ON THE FLEET

Developments in Aviation Fail to Shake Belief in Power of Navy

PUBLIC WEIGHS LEADERS

Forbes, Backhouse, Pound Chiefly Responsible for Handling Sea Forces

BY H. J. J. SARGINT

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LONDON, Oct. 15.—As War Secretary Leslie Hore-Belisha takes the first steps to reorganize the territorial army and speeds up Britain's rearmament program in other directions, the British public is again intently examining the caliber of the leadership of its armed forces on the sea, on land and in the air.

This country, in spite of the development of aviation, still pins its faith on its fleet, on which, "under the good providence of God," as the king's regulations and admiralty instructions have it, "the wealth, safety and strength of the kingdom chiefly depend."

Three men will be mainly responsible for the handling of the naval power of England. They are Admiral Sir Roger Backhouse, first sea lord of the admiralty and chief of the naval staff; Admiral Sir Charles Forbes, commander-in-chief of the home fleet, and Admiral Sir Dudley Pound, commander-in-chief of the Mediterranean fleet.

Sir Roger Backhouse has just taken over the duties of first sea lord from Admiral of the Fleet Lord Chatfield, who filled the office for over five years and who, in the event of war, will undoubtedly be recalled to active service. Backhouse is a romantic figure, tall, spare. He is just 60 years old and he has a stentorian voice with which, it used to be said forty years ago, when he was a young ensign, he could shout orders as mate of the deck to men furling the main topsail in half a gale of wind.

Is a Gunnery Specialist

He is a gunnery specialist and was at one time director of naval ordnance. Before going to the admiralty he was commander-in-chief of the home fleet and had previously commanded a battle squadron in the old Atlantic fleet, which has now been merged with the home fleet, and had been second in command of the Mediterranean fleet. Now as first sea lord and chief of the naval staff he is the senior naval adviser to the British government.

Sir Charles Forbes, commander-in-chief of the home fleet, is 58. He is also a gunnery specialist and, moreover, a specialist in destroyer work. It is always said of Forbes that, although his high rank has now taken him away to heavy units or to high administrative posts on shore, his heart is always with the little ships. He was happiest when, seven or eight years ago, he was rear admiral commanding all the destroyer flotillas of the Mediterranean fleet. Afterwards he became third sea lord and later second in command of the Mediterranean fleet. As leader of the home fleet, he will hold in his hands the spearhead of British naval defense.

Admiral Sir Dudley Pound, commander-in-chief in the Mediterranean, has two vital duties: To keep open and if necessary to keep shut the Suez canal and to protect the Strait of Gibraltar. Pound is 61 and has always been known as an expert in staff work. From 1927 to 1929 he was assistant chief of the naval staff at the admiralty and before that he had been director of plans at Whitehall and later chief of staff to the then commander-in-chief in the Mediterranean, Sir Roger Keys. His mother was Elizabeth Pickman Rogers, of Boston, Mass.

Other British admirals who will directly or indirectly take a leading part in a war are Vice-Admiral S. J. Meyrick, commander-in-chief of the North America and West Indies station; Vice-Admiral J. F. Somerville, commanding the East Indies squadron; Vice-Admiral Sir Percy Noble, commanding the British fleet in Chinese waters, and Rear Admiral W. N. Custance, who commands the Australian fleet.

One Whose Name Is Not Often Seen

There is one man whose name rarely appears in the newspapers and whom not one person in a thousand has heard of in this country. He does not fly a flag at sea, and yet the navy would be sore put without him. He is the engineer-in-chief of the fleet, Engineer Vice-Admiral Sir George Preece. On him falls the responsibility of maintaining all ships in commission in running order. That no order from the bridge should go unexecuted for more than ten seconds is the tradition of the engine rooms in the British navy, and it is the duty of Preece to see not only that the engines are working, but that the officers on the engine room platforms and the men under their command are fit for their jobs.

The British army leaders do not enjoy quite the same prestige as their royal brethren in the navy, but there is no doubt whatever about the soundness of their professional capacity and personal gallantry. Among them are Lord Gort, chief of the imperial general staff, and Sir John Dill, commander-in-chief at Aldershot, the principal military station in this country.

Gort was appointed to his present supreme position, in which he co-ordinates the military forces of the whole empire, when Mr. Hore-Belisha became secretary of state for war, succeeding Alfred Duff-Cooper, who was sent to the admiralty as first lord, but resigned in objection to the government's policy during the recent crisis. Under Duff-Cooper as political chief, the chief of the imperial general staff was Sir Cyril Deverell, a field marshal who had a great reputation as a strategist. He is a man of 64, twelve years

older than Gort, and Hore-Belisha thought well to put the younger man into the highest post to which a British military officer can aspire. Gort wears the Victoria cross, the highest decoration for personal bravery under fire in the gift of the British king. He also has received the distinguished service order with two bars, which means he has won the D. S. O. three times.

Sir John Dill is the man who would probably lead the British army on the continent. It would be his duty to command the British expeditionary force, and experts are agreed that he is a man of sound capacity with a touch of brilliancy. He is 57, and did very well in '36 and '37 in Palestine, where he was general officer commanding the British force.

Wavell Commands Forces in Palestine

A third officer who will certainly figure prominently in any European war in which the country participates is Maj.-Gen. A. P. Wavell, who now commands the British forces in Palestine. If hositilities broke out, the general commanding in Palestine would not trouble his head so much with the disputes between Arabs and Jews, but would move southwest and occupy positions designed to protect the Suez canal and Egypt, there cooperating with the naval forces which would assemble in all probability off Alexandria and spread out across the mouths of the Nile east and north as far as Haifa, where the pipe line bringing oil from Persia reaches the sea. Wavell commanded a division at Aldershot before going to Palestine. He established a high reputation during the great war.

The senior British military officer in the eastern Mediterranean would, in case of war, be Gen. Sir Edmund Ironside, who is about six feet tall and is consequently known throughout the army as "Tiny." He was recently appointed to a new and most important post, that of commander-in-chief of the forces in the middle east. Ironside is commonly supposed to be one of the best men the British army possesses today.

Three other men should be mentioned. They are Maj.-Gen. A. W. Bartholomew, who commands the British troops in China, with headquarters at Hongkong; Maj.-Gen. G. C. Williams, who began life as an officer of the Royal Engineers and is now a divisional commander of the northern command at Catterick, in Yorkshire, and Maj.-Gen. R. H. Haining, director of military operations and intelligence at the war office.

The big figure in the British royal air force is Air Chief Marshal (General) Sir Cyril Newall. He is responsible for the fighting orders to the airmen, but, as chief of the air staff, he would, in the event of a war, remain in London so that he could continue to co-operate with the other chiefs of staff and with the cabinet and the committee of imperial defense.

Newall is a young man for the high post. He was born in 1886 and was originally in the Indian army. His first regiment was a Gurkha battalion and he was one of the many officers taken from the army and the navy to establish the air force when it was first set up during the great war. Lady Newall was Olive Tennyson Foster Eaton, of Boston, Mass.

Dowding Has "Fighter" Command

The man who will figure most in the public eye, should a war break out, is Air Chief Marshal Sir Hugh Dowding, who has the so-called "fighter" command. Under him are all the high-speed Hurricanes and Spitfire class of combat planes whose business it will be to defend the country from bombing raids in association with the anti-aircraft ground guns all over England. Dowding also commands the heterogeneous collection of forces like the observer corps, which watches all round the coast, and the so-called "listening people," who man those extraordinary machines that look like bunches of old-fashioned loud-speakers and are used for detecting the approach of enemy aircraft. He will also have under him the whole balloon barrage.

HUNGARY ACTS TO SAFEGUARD FOOD FOR WAR

Mobilizing of Farm Workers to Supplement Calling of 200,000 Men to Colors

By the Associated Press.

BUDAPEST, Oct. 15.— Hungary speeded up defense measures today by ordering mobilization of agricultural workers to insure an adequate food supply in any emergency arising from her dispute with Czechoslovakia on minority claims.

The official gazette will publish tomorrow far-reaching decrees supplementing the calling to the colors of five army classes of about 200,000 men, which boosted the number of Hungarians under arms to an estimated 500,000.

These steps were taken for peace, not war, officials said. Hungary has no aggressive intentions, it was added, and has taken measures to strengthen the army to secure peace along the frontier in territories Hungary expects to get from Czechoslovakia.

Authorities were directed to muster all unemployed farm workers for transfer from farm to farm to insure continuity of agricultural output. Another decree will hold employers of agricultural workers responsible for payment to safeguard the interests of families of those men called to arms.

Dictator Of Turkey Lies Near Death

Ataturk Reported Gravely Ill; Built New Nation Out of Empire.

ANKARA, Turkey.— (A. P.) — An official communique said today President Ataturk was gravely ill.

The communique said:

"The condition of the President, who has long been suffering from a liver complaint, suddenly grew worse on Sunday. And although a slight improvement occurred overnight, his illness is still maintaining a grave character."

The health of the Gray Wolf, who built a new nation on the ruins of the Ottoman Empire, had been the subject of disquieting rumors for months.

Even in the early days of his revolution he frequently was reported ill of kidney trouble, for which he received treatment at an Austrian health resort during the World War.

FIRST SERIOUS ATTACK

At 58, however, this was his first serious illness.

Commentators often observed that Ataturk never had followed the frugal spartan personal life of Adolf Hitler or Benito Mussolini.

He often has worked or listened to musicians all night and then slept twenty-four hours in a stretch. For many years he has been a chain cigaret smoker, a marathon coffee drinker and has shown fondness for raki liquor, which was banned for British troops in Palestine during the World War.

In the early days of Nationalist Turkey he celebrated his victories over Greeks by drinking champagne.

He was elected President on Oct. 23, 1923, by the national assembly when it proclaimed Turkey a republic.

British Push Air Defenses, Cold to Nazis' Bid for Pact

Suggestions of Agreement Making the Germans Supreme in Aviation Unfavorably Received —Protection for London Termed Woeful

By the Associated Press.

LONDON, Oct. 15.—Britain pushed forward on the road to greater armaments and defenses today, coldly indifferent to suggestions of an aviation limitation pact with Germany.

War Minister Leslie Hore-Belisha, who announced a hope of doubling in the next year the nearly 50,000 men operating antiaircraft guns and supplementary equipment, with the necessary guns now in mass production, was spurred by B. H. Liddell Hart's slashing criticism of London's anti-aircraft defenses.

Liddell Hart, a military expert and writer, declared to the Emergency Youth Peace conference that "barely 100 guns" were available for London's defense against air raids during the crisis over Czechoslovakia.

Comparing London's defenses with those of Paris, he said the latter was ringed with 700 guns and that, moreover, London's defenses were "improvised with various weapons much more dangerous to civilian life and property than to attacking aircraft."

Under the circumstances, he said, the surrender of Czechoslovakia at Munich was justified.

Meanwhile, the reaction in authoritative quarters to what was termed "feelers through press and otherwise" suggesting that Britain accept an air pact with Germany making the nazis supreme in the skies was unfavorable.

These quarters said Britain's aviation policy is still based on the statement in 1936 of the former prime minister, Earl Baldwin, that Britain's air frontier is "on the Rhine."

Her air fleet must be equal to that of any power "within striking distance"—in other words, it must be equal to Germany's—was the opinion in these quarters.

(Berlin advices said that when Chancellor Adolf Hitler is ready to discuss an air pact with other nations it was well understood in foreign embassies he would demand an air force sufficiently large to match the combined air fleets of England, France and soviet Russia.

(The foreign office there denied, however, that an air pact with Britain was now under consideration.

(It was said authoritatively that editors of Air Minister Hermann Wilhelm Goering's Essener National Zeitung had no idea of intimating possible early denunciation of the Anglo-German naval pact of 1935 when they wrote: "Responsible English circles should remember Germany might be compelled to revise the balance of power in case of a race for armaments."

(The Anglo-German naval pact bound Germany to limit her navy to 35 per cent. of the British fleet tonnage, Britain contending her extended empire demanded a vastly greater sea power than Germany required.

(Germany's argument for a large air fleet, it was anticipated, might be based on a similar argument of geographical location since Germany is between France and Britain on one side and soviet Russia on the other.)

Czechs Declare Martial Law Near Border

Hungary Angry, But Germany's Policy May Force Yielding.

PRAGUE.—(LP)—The Slovak government decided today to decree martial law in seventeen districts close to the Hungarian frontier.

The area extends from Bratislava to Kosice, comprising fifteen districts on the Hungarian frontier and two others close to it. Bratislava, Kosice and Komarom are among the cities affected.

It was announced the step was taken because the Slovak government feared invasion by Magyar terrorists, although there was no fear of invasion by the regular Hungarian army.

TALK AGAIN

Czechoslovak and Hungarian delegations will resume negotiations this week and the Czechs will make essentially the same offer that the Hungarians rejected angrily at the Komarom conference last week.

The Czechs believed that in the light of week-end developments, the Hungarians would either accept or seriously consider the offer, which they denounced at Komarom as ridiculous.

Frantisek Chvalkovsky, Czechoslovak foreign minister, returned from Munich and Berlin with the news that negotiations would be resumed, and while the government viewed it as a negative victory over Hungary, it nevertheless represented the first favorable turn for this country since the Sudetenland crisis.

Chvalkovsky was understood to have brought assurances that Germany would aid Czechoslovakia industrially and financially, as well as guarantee fair treatment from Hungary. This was in token of Czechoslovakia's new foreign policy of friendship to the Nazis, with whom a month ago they were ready to go to war, and to whom they had lost the Sudetenland—a policy forced upon the Czechs when France, Great Britain and Russia failed to go to their aid.

In return for this aid, Germany was said to have asked that Czechoslovakia adopt a "sympathetic understanding of the German political viewpoint," and also see that anti-Nazi organizations were disbanded.

HUNGARY ANGRY

Reports from Budapest were that the Hungarian government was bitterly dissatisfied with the turn of events, that the people were so angry government leaders might have to resign. It was mobilization day in Hungary for reservists called out last week when the Komarom conference broke down. The first classes of the 300,000 reservists had been ordered to report today, and despite the fact that the territorial conversations were to be resumed, there had been no announcement that the mobilization would be canceled.

Czechoslovak leaders indicated that in order not to strain relations any further, the government would be lenient with 304 Hungarian terrorists rounded up by soldiers and police in Ruthenia. There had been reports that all 304 would be court-martialed and possibly sentenced to death this week.

HITLER WOULD LIMIT BRITAIN'S AIR FORCE

Mussolini Calls for Island of Mallorca in Anglo-Italian Settlement—Hongkong Is Endangered by New Japanese Drive

U. S. PLANNING NEW ARMAMENTS

BY ALBERT E. CARTER

Mr. Neville Chamberlain, who a fortnight ago returned to London from Munich with what he called "peace for our time," must find the developments of the past several days disconcerting, to say the least.

Both France and Great Britain are arming now as never before; every phase of their armed forces at home and abroad is being looked to. And with reason. Central Europe continues a tinder box, though the chances of a general war springing up there in the near future are remote. But until the Hungarian claims on Czechoslovakia are met, or a compromise acceptable to both sides agreed on, there is the ever-present danger of a serious outbreak.

As was to be expected, Germany's Munich victory has made the reich even more recalcitrant than before. Some idea of the new attitude in Berlin is evidenced by the suggestion made to London last week that Britain limit her strength in the air to 35 per cent. of the air power of Germany. One of Germany's chief arguments in favor of this proposal is the fact that in 1935 the reich voluntarily agreed to limit its navy to 35 per cent. of that of Great Britain. Another German argument was that whereas Germany is open to air attack on both the east and the west, Britain can conceivably only be attacked from one direction.

British Reaction

Official British reaction to this suggestion was amazement and incredulity. However, it was intimated that Britain might accept inferiority to Germany in the air provided the combined air forces of Britain and France were overwhelmingly more powerful than that of Germany. The plain truth of the matter, however, is that (unless recent reports were exaggerated) Germany is now more powerful in the air than the two democracies combined and cannot only remain so, but can also increase her air advantage at will.

German air strength is now supposed to be about 10,000 planes, while that of France is 4,000 and that of Britain about 3,700. The nazis are said to have factories capable of producing from 500 to 800 planes a month, an almost unbelievable rate of production, while France is reported capable of turning out only fifty planes a month and Britain about 200. It would seem that Hitler is in a position to dictate his own terms as to the comparative size of air fleets. Only by drastic reorganization of their plane production facilties can the democracies of western Europe even hope to keep in the running. It will be some time before even the proposed large-scale production of planes in Canada can lift Britain out of the hole into which she has stupidly allowed herself to be maneuvered.

With Italy, Britain is also having trouble. The original plan, when the Anglo-Italian agreement was drawn up last spring, was for its provisions —among them the granting of belligerent rights to the Franco forces in the Spanish civil war—to go into effect immediately on a Franco victory and the withdrawal of Italian troops from Spain. But, instead of a victory, a stalemate resulted, much to the embarrassment of both Mr. Chamberlain and Signor Mussolini.

The Munich settlement was the signal for new attempts to implement this long-hanging rapprochement. Mussolini announced that 12,000 Italian troops would be withdrawn from Spain, but he made it quite plain to the folks at home that such a move had been planned long before the Munich conference. In return for this "token" withdrawal, it was thought Great Britain might go ahead and grant belligerent rights to the insurgents and thus open the way for putting into effect other provisions of the settlement.

Mussolini Raises Demands

But, just as Hitler raised his demands between Berchtesgaden and and Godesburg, Mussolini has raised his demands between Munich and the present. Now he is demanding the Spanish (Balearic) island, of Mallorca, as part of the settlement price. But this is a high figure and one against which both France and Britain can be expected to raise strong objections, even if they do not refuse it outright. For it so happens that Mallorca lies across the French "life-line" to her colonial possessions in North Africa, the most convenient route over which to transport native troops from Morocco. The island is also near enough Britain's east-west route through the Mediterranean to make its possession by a potential enemy a constant menace.

Another worry which may make Mr. Chamberlain wonder how he could have thought "peace for our time" has been assured is the increasingly bloody vendetta in Palestine, where settlement with anything less than drastic measures seems out of the question. Still another cause for British worry is Japan's recent swing into South China, accompanied by a warning to Britain and France to keep their noses out of Japan's business in Asia.

The Danger to Hongkong

Of all the unpleasant developments since Munich, this new turn of events in the Far East may prove the most immediately dangerous to British interests and may stir the British lion into action where events closer home failed to draw a growl. According to latest reports, the Japanese are determined to cut the rail line between Kowloon and Canton, a line along which the embattled Chinese have of late been receiving a major portion of their munitions and other supplies necessary to carrying on the war. Already bridges between the two cities have been bombed and communications cut off.

Since Kowloon is part of the British crown colony of Hongkong (Kowloon is on the mainland and Hongkong itself is an island just off the coast), this means that the noted far eastern port, if deprived of its trade lines, will be reduced to the status of "just another island off the China coast," as Chinese officials put it last week.

Whether the Japanese campaign in South China came as a direct result of the Munich conference is a matter of conjecture. There is no question but that a South China campaign had been planned for some time and it may be that the Nipponese were only waiting to ascertain what would be Britain's attitutde in the event Hongkong were threatened. It is entirely possible that Great Britain's refusal to fight over Czechoslovakia is back of the current Japanese South China thrust. Tokyo may have reasoned that if Britain would not fight at home to maintain the age-old principle of balance of power, then certainly she would not wage a remote war to protect a remote outpost. Apparently Japan is borrowing a line from nazi German on how a democracy should be treated.

Mr. Bernard Baruch's Report

There is hardly any place in the world that has not been affected in some way by Munich and its repercussions. Even the United States, we are told, must vastly increase its armaments amidst all this sounding of alarms. andMr. Bernard Baruch reports to the president that Germany is planning an attack on certain states in South America. Of course, there will be nothing so foolish as an open attack, which would see the sea power of Germany pitted against the vastly greater sea power of the United States, which would unquestionably rush to the defense of the Monroe Doctrine. Mr. Baruch might better have said the attack is already on with not only Germany, but also Japan, Italy and Great Britain playing major roles.

Latin States Have Ambitions

The attack is economic and political and is not likely to become military, except in an indirect way. All these nations, and to the group we must add ourselves, are busily engaged in helping the countries to the south arm to the teeth. Most of these countries, though they go under the name of democracy, are in reality military dictatorships, many of them headed by would-be Napoleons, Mussolinis and Hitlers. They have their imperalistic ambitions, their spheres of influence and their balances of power, just as do nations elsewhere. Thus they are only too ready to prepare themselves for war, and when war comes, it will doubtless be conducted much in the manner of the fight in Spain, with outside powers choosing sides and backing their favorites with munitions, and posibly also men, and with trade privileges and other concessions the price of their participation.

Our own position in such a conflict will not be easy to choose. There will be nothing so simple as defending the western hemisphere from open aggression. Ours doubtless is to be an increasingly hazardous course as the victories of totalitarian states in Europe sets for lesser states in our own hemisphere and elsewhere a disturbing example. In the light of these developments it is doubtful if the administration will encounter a great deal of opposition to its plan to give more attention to America's armaments.

Hitler's Paper Eyes Wealth Of Austrian Catholic Church

Says People Are 'Cold and Hungry,' but Priests Do Nothing—Synagogue Wrecked, Windows Smashed in Wave of Anti-Semitism

By the Associated Press.

VIENNA, Oct. 16.—The Vienna edition of Reichsfuehrer Adolf Hitler's Voelkischer Beobachter raised the question today of "millions of marks" worth of Catholic church property in Austria which "it does not seem easy to socialize and in some way make useful to the community."

(The mark is valued at 40 cents.)

The newspaper, in a full-page attack, said foundations and cloisters hold more property than "any layman, even more than the state."

Its title was "rich churches—poor [illegible]

"On one side are these millions worth of dead capital in jewels, cloisters and castles, in land and richly productive factories, and on the other side in church dioceses are hundreds of thousands who are cold and hungry, poor and needy, for whom the church and priests do nothing.

"How much more help could be given if those who recite these words in prayer would do something positive.

"What possibilities, what means stand at their disposition!"

Collectors shaking tin boxes combed all streets while brass bands and trucks with loudspeakers stirred Vienna into action.

Some collectors stood by the doors of St. Stephen's cathedral. One girl wore a "jump-in" suit with a gas mask and tin hat around her neck.

The cathedral was filled all morning with worshippers but no mention was made in the customary 9:30 a.m. sermon of nazi attacks against the church.

MORGENTHAU CREATES SECTION OF FINE ARTS

WASHINGTON, Oct. 16 (AP).—The federal government became a permanent patron of art today.

to fortify the fifty-mile system of lakes and locks through which the American navy must pass to move from the Pacific to the Atlantic coast.

HITLER OFFERS HUNGARY HELP IF NAZIS AIDED

Would Aid Against Czechs if Germans in Hungary Given More Rights

NEW UNREST ON BORDER

Hungarian, Czech Soldiers Glare at Each Other at Close Quarters

By the Associated Press.

BUDAPEST, Oct. 17.—Germany has promised support to Hungary in her demands for cession of Czechoslovak territory provided she grants increased national and cultural rights to some 600,000 German settlers in Hungary, it was learned in foreign diplomatic quarters tonight.

Germany's proposal was said to include support for Hungary's claims for the immediate return of all Czechoslovak districts in which more than 51 per cent. of the population is Magyar.

At the same time Premier Bela Imredi called upon the nation to maintain "great discipline" as border reports told of mounting restlessness among troops demanding action in the Hungarian-Czechoslovak minority dispute.

Hungarians Told to Keep Calm

"The Hungarian government is doing all possible to speed up a solution," the premier said. He told Hungarians to keep calm "to enable the foreign policy of the country to achieve its ends."

Imredi insisted upon an immediate assertion of the right of self-determination among Hungarians in Czechoslovakia and spoke bitterly against Czechoslovak tactics which he said were calculated to postpone the issue.

The country, despite hopes that Czechoslovakia would come forward quickly with new proposals more in line with Hungary's demands, witnessed continued large-scale military activity.

Two classes were called to the colors and long motor caravans moved to the border with men and equipment. Difficulty was reported in restraining the troops already at the front, where Hungarian and Czechoslovak soldiers have been facing each other, at close quarters, for days.

Tension Mounting

Reports from across the border of alleged oppression of Hungarians and of clashes did not ease the tension.

It was understood at the Hungarian foreign office that the Prague government was using the Sudetenland settlement as a basis in drawing up new proposals for resumption of the negotiations.

A plan patterned after the Sudetenland settlement would mean that Hungary would be ceded Czechoslovak territory with predominantly Hungarian population. There would be plebiscites in other areas having Hungarian population.

The Hungarian cabinet studied proposals by Premier Mussolini, of Italy, and Chancellor Hitler, of Germany, who were said to have suggested a mixed commission of Czechoslovak, Hungarian, Polish, Britisn, French and Italian diplomats to meet within a week to seek a settlement. Hitler suggested the commission meet in Germany; Mussolini proposed Italy.

Official circles believed Prague already has accepted the Hitler-Mussolini suggestions in principle.

GERMANY DEMOBILIZES

In Berlin, the Foreign Office spokesman said Germany's Army reserves, marshaled by the hundreds of thousands six weeks before the Czechslovak crisis brought Europe to the verge of war, now were being dismissed daily.

Thus Germany moved gradually to reduce the more than 1,000,000 men she was estimated to have had under arms in the tense days before the four-power Munich agreement September 30 to dismember Czechoslovakia.

Japanese, driving against the great South China metropolis of Canton, had approached to within fifty miles of the city's outskirts. One column pushed toward the Bocca Tigris (Lion's Mouth) forts guarding the water route to the city. Kwangsi Province reinforcements came by junks to aid in defense of Canton.

British Troops Lay Siege To Jerusalem

Germany Dismisses Reserves Called To Arms During Czech Crisis.

(Compiled from Associated Press and United Press cable dispatches.)

British troops, directed by aircraft, laid siege to the old city of Jerusalem today.

Arab rebels were strongly entrenched behind the ancient walls and were in control of the city.

It was the first siege of Jerusalem since Saladin's in the twelfth century. Gen. Allenby entered the city in 1917, but did not fire a single shot, being welcomed by the inhabitants as their deliverer from the Turks.

Two thousand British troops were put into action today, reinforced by 4,000 Jewish supernumerary police, as airplanes hovered over the densely populated old city.

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2# Six weeks

Germany - 700,000 fined 400,000,000, new laws against Jews. Jews can't go to um, can't hold jobs, or by food in G. Hitler says all jews responible for death of G. officials in France.

Rruseevelts speech over radio
yesterday concerning armament caused
sensation in Europe In Geneva, Swiss,
home of peace conference, his speech
stamped him the leading man for
peace in the world today. He said
and opper amanesent is the only way
to assure peace. In Germany the
headline in the papers read, "Eletio
of Brovelt at exceinse of other countries"
Japan hasn't answered yet Relations be-
tween U.S. and Japan growing cool.

Mohammedan (Moslem)
Santa Sophia (Sofia) one of largest
churches in world.
Mosque (mosk)
minarets - priest call people to prayer
5 times a day - no bells in Mosque.
Dead Sea - no fish because of too much
salt - getting salter
J.R. muddy
Bethlehem - dirty little village
Jerreuselo - holy city of christian Mohamedan

Arikia Today 1/3 as many Mohamadans as Christians Moses has 4 commandes
1. pray five time a day
2 give something to every begger
3. fast for mont each year
4 try to [illegible] [illegible] [illegible] life
King David built J. 1000 yrs. before Christ.
Mosul [illegible] on Tigers Rive was first [illegible] here
Nineveh - B'aliglon, oil discovery around Mosul, hudge.
Badday
Kamal - ruler of Arkia did yesterday
B.G. [illegible] interest in the [illegible]

Hot News

Japan putting forth grand effort
China cut off from supplies
Japan on verge of trouble with G.B. &
U.S. British gunboat bombed by Japanese
plains U.S. ship carrying chinese silver
valed at 4½ million dollars, detained at
shanghai by Japanese. Japan having
diffucalty getting supplies to interior
of china. City of Celon burned by chinese
so nothing of value will be left for Japs.
London 4 planes set out to bren non
stop flight first will go to egypt then
to australia.
Czech. Ant-Jewish demonstration in Prague
"Jews not wanted".
China-Honkow entered by Japs-senkert Tuesday
of the week Japs in high spirits
Chinanese cut off water supply
city burned "scorched land" is policy
of chinese.
Spain-Lolish claim victory for the
day.
Vienna-Adolph Hitler arrive in-
expectedly-probly will discuss
cathlot problems.

Advancing Japs Capture Canton

Britain And Nazis Work For Peace in China

European Minority Problem Suddenly Turns Memel Situation Tense.

HENDAYE, French-Spanish Frontier.—(U. P.) — Spanish Insurgent advices today said that a total of 2,888 American volunteers had been killed while fighting with the Loyalist armies in the civil war.

The Insurgent messages also disclosed that the United States Government recently had made an official effort to learn the exact number of Americans who are now prisoners in Insurgent concentration camps. It was not revealed whether any answer had been given or how many were prisoners.

(Compiled from Associated Press and United Press Cable Dispatches.)

Great Britain and Germany have started a joint effort to mediate between China and Japan, it was asserted today in a most reliable quarter in Shanghai.

As the report was made, Japanese troops were entering Canton, fifth great Chinese city to fall to them in the war, and they were only thirty-five miles from Hankow, the emergency capital on the Yangtze River.

They had marched eighty miles in nine days, advancing with astonishing speed in the absence of serious resistance.

They had taken previously Tientsin, Peiping, Shanghai and Nanking.

There were indications that with the fall of Hankow, the Japanese might be ready to talk peace—but they insisted still that as part of any truce Chiang Kai-Shek, generalissimo of the Chinese armies, had to go.

FRANCE BALKS AT NAZI PRICE FOR GUARANTY

Colonial Cession, Free Hand in Eastern Europe Held Too High, but Talks Go On

WARNING TO ITALY SEEN

Powers Believed Sincerely Eager for Pact to Limit Duce to Mediterranean

By the Associated Press.

PARIS, Oct. 19.—Chancellor Hitler's reported price for a guaranty of Franco-German peace appeared too high to France today.

In preliminary conversations Germany was said in well-informed quarters to have offered to guarantee French frontiers against attack if France would return Togo and the Cameroons, pre-war German colonies in West Africa; if France would recognize that Germany should have numerical superiority in war planes and if France would assure Germany a free hand in central and eastern Europe and renounce the Franco-Russian mutual assistance pact.

The possibility remained, however, that sufficient common desire existed so that some kind of an agreement might be reached. English leaders have been described as urging the French to seek something parallel to the Anglo-German friendship pact initialled at Munich.

In the willingness of both France and Germany to explore possiblities of a nonaggression pact some Paris observers professed to see a diplomatic game aimed at Italy—a warning by France that Italy should confine itself to the Mediterranean and a hint by Germany that unless Italy abandoned its support for Hungarian claims Germany could find a powerful friend in France.

Count Johannes von Welczeck, German ambassador to France, talked to Georges Bonnet, foreign minister. Andre Francois-Poncet, French ambassador at Berlin, flew to Hitler's Bavarian home, Berchtesgaden. The visit to Bonnet today followed a talk Von Welczeck had with Premier Edouard Daladier on returning from Berlin.

Daladier's friends hoped an agreement with Germany would improve his domestic position. He had conversations with the soviet ambassador, Jacob Surits, presumably as to what effect a Franco-German agreement would have on Franco-soviet relations.

REICH OBJECTS TO HASTY SPLIT OF CZECH AREA

Hungary Receives Friendly Warning Germany, Italy to Guide Partition

By the Associated Press.

BERLIN, Oct. 20.—The Hitler government raised the stop sign against Hungary today in a friendly, but unmistakable, objection to any hasty partition of what is left of the republic of Czechoslovakia.

Hungary, remnant of the pre-war Austro-Hungarian empire, is anxious to obtain some sizeable portions of Slovakia in the wake of Germany's acquisition of Sudetenland.

Poland, created out of western Russia by post-war treaty, is reported to want a division of another portion of Czechoslovakia — Ruthenia — among herself, Rumania and Hungary.

To all the rumors of imminent trades which would remake the map of eastern Europe, Germany has replied unofficially that the remaining minorities questions will be reached in good time.

Moreover, informed nazis have indicated that when that time comes, the decision will rest with Germany and Italy and will be guided strictly by a determination of predominant nationalities.

New Turn to the Right

While reports of border troubles issued from Hungarian-Slovakian, as well as from Sudeten-Bohemian, borders, the Czechoslovak government took action which was regarded as an added index of a turn toward the political right.

In Prague the police outlawed the communist party and suspended its newspapers in Bohemia, Moravia and Silesia. Previously, Slovakia had outlawed the communists. That left them integral as a party only in Ruthenia, the easternmost tip of the republic, and in that area they were considered distinctly weak.

Prague also rounded up an unestimated number of Jews in an effort to meet the vexing refugee problem. Thousands of former residents of Sudetenland, fleeing sectors into which the German military marched after the "peace of Munich," have streamed into Bohemia.

Although the Czech general staff and DNB, the official German news agency, said a half-dozen persons had been killed in disorders on the Sudeten-Bohemian border, the German administration in the newly acquired areas prepared to take control from the hands of the military and give it to the civil authorities.

(In the squabbling in eastern Europe over the partitioning of Czechoslovakia, Poland and Hungary were seeking a common frontier.

(In Budapest the newspaper Vreme argued that Poland had a vital interest in Carpatho-Russia, or Ruthenia, to "check Germany's expansion to the Ukraine."

(Reliable reports indicated Poland had encountered no success in trying to enlist Rumania in a scheme to divide up Ruthenia.)

The warning to Hungary was contained in the foreign office mouthpiece, Duetsche Diplomatish Politische Korrespondenz.

"Both Slovaks and Hungarians will have to realize," it said, "that * * * in future border-fixing no other principle is possible than that followed in the German-Czechoslovak differences."

Slovak and Ruthenia diplomats yesterday at Munich asked Herr von Ribbentrop, the German foreign minister, that negotiations for settlement of the minorities problem be made less precipitate.

(From Hidasnemeti, Slovakia, on the border, came reports that Hungarian elements of the population signaled nightly into Hungary by burning haystacks. Hungarian troops patrolling their side of the line have increased considerably in numbers.)

At Krumau, in the Sudetenland, another round of heiling and demonstrations for the "liberator" greeted Chancellor Hitler on his tour through the last section of his new realm, the Bohemian forest.

Hungary May Fight Czechs In 48 Hours

BUDAPEST, Hungary—(U. P.)—Hungary may take arms action against Czechoslovakia within forty-eight hours unless the Prague Government makes an offer enabling resumption of negotiations over its Hungarian-populated territories, informed politicians said today.

More than 500,000 Hungarian troops were massed along the Hungarian - Czecholsoak frontier as a result of the latest call to the colors. Radical elements in the army were said to be impatient and would not be held in check long.

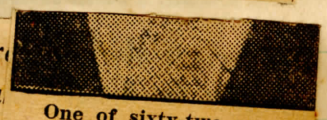
These elements demanded that Czechoslovakia offer immediately to resume negotiations, hinging chiefly upon the cession to Hungary of the border towns, Komaron, Kaschau, Munkacs and Sergszasz.

The Government and Hungarians generally rejected Czechoslovakia's previous offers. It was asserted that the Czech offers would give Hungary less than half her "just rights."

The original Czech offer of 10 per cent of the Hungarian demands rose to 40 per cent during the course of four fruitless days of negotiations at Komaron, it was asserted. Now, according to quarters usually well informed, Czechoslovakia must grant at least 60 per cent of the Hungarian demands before Hungary will consider reopening the negotiations.

Reich to Be Military Power In 5 Years, Goebbels States

Nazi Pr... to Ma... —W...



One of sixty-two persons dicted by a federal grand at Albuquerque for conspi

By the Assoc

HAMBURG, Germany, Oct. 21.—Propaganda Minister Goebbels asserted tonight that nazi Germany, strengthened by territorial gains, would become one of the world's strongest military powers within five years.

Goebbels, in a long discourse on nazi accomplishments, pointed to occupation of the Rhineland and acquisition of Austria and the Sudetenland as proof that Germany would rise to military power.

He took occasion to refer to the church tension in Vienna, which broke into open disorder early this month, and warned Theodore Cardinal Innitzer (archbishop of Vienna) that he was "playing with fire."

Goebbels, speaking at a nazi demonstration here, said:

"At a time when the German army was marching into the Sudetenland, it was impudence that Cardinal Innitzer started a political counter-demonstration, that he held a sermon in the cathedral and that the Catholic sheep called out on Cathedral square: 'Christ is our Fuehrer—Innitzer command—we follow.'"

"That is frivolous play with fire," the nazi spokesman continued. "And when on another day national socialistic Vienna gave its answer and a few windows were smashed (referring to

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More than 500,000 Hungarian troops were massed along the Hungarian - Czecholsoak frontier as a result of the latest call to the colors. Radical elements in the army were said to be impatient and would not be held in check long.

These elements demanded that Czechoslovakia offer immediately to resume negotiations, hinging chiefly upon the cession to Hungary of the border towns, Komaron, Kaschau, Munkacs and Sergszasz.

The Government and Hungarians generally rejected Czechoslovakia's previous offers. It was asserted that the Czech offers would give Hungary less than half her "just rights."

The original Czech offer of 10 per cent of the Hungarian demands rose to 40 per cent during the course of four fruitless days of negotiations at Komaron, it was asserted. Now, according to quarters usually well informed, Czechoslovakia must grant at least 60 per cent of the Hungarian demands before Hungary will consider reopening the negotiations.

Reich to Be Military Power In 5 Years, Goebbels States

Nazi Propaganda Chief Says Territorial to Make Nation One of Strongest in W —Warns Innitzer "Playing With Fi

By the Assoc

HAMBURG, Germany, Oct. 21.—Propaganda Minister Goebbels asserted tonight that nazi Germany, strengthened by territorial gains, would become one of the world's strongest military powers within five years.

Goebbels, in a long discourse on nazi accomplishments, pointed to occupation of the Rhineland and acquisition of Austria and the Sudetenland as proof that Germany would rise to military power.

He took occasion to refer to the church tension in Vienna, which broke into open disorder early this month, and warned Theodore Cardinal Innitzer (archbishop of Vienna) that he was "playing with fire."

Goebbels, speaking at a nazi demonstration here, said:

"At a time when the German army was marching into the Sudetenland, it was impudence that Cardinal Innitzer started a political counter-demonstration, that he held a sermon in the cathedral and that the Catholic sheep called out on Cathedral square: 'Christ is our Fuehrer—Innitzer command—we follow.'"

"That is frivolous play with fire," the nazi spokesman continued. "And when on another day national socialistic Vienna gave its answer and a few windows were smashed (referring to

lated Press.

the riot Oct. 8), an appeal was made to the national socialist movement.

"What the cardinals say inside their churches is their affair. Politics and the street, however, belong to us, for we cleansed them of bolshevism.

"For this purpose we created our movement as a political movement of our people."

Arms Plant to Build Planes

LONDON, Oct. 21 (AP).—A new scheme to step up production of warplanes and hasten the day when Great Britain can have an air force equal to Germany's was announced tonight by the air ministry.

It had obtained the co-operation of the huge Vickers-Armstrong Armament works, it said, to build planes of parts made by a widespread system of subcontractors. The move was the first of several foreshadowed when the Czechoslovak crisis disclosed Britain's defense weaknesses.

Critics of the government have declared plane production is being delayed by slow work in factories making plane parts.

The nation's goal prior to the recent crisis was 3,500 first-line warplanes by 1940. Germany, it is estimated, will have upwards of 6,000 first-line planes by next spring. The production rate under the new scheme was not estimated.

Parallel Seen Between 1914 And the Present

History Repeating Itself In Critical Troubles Of Europe.

By ANDRUE BERDING

WASHINGTON.—(A. P.)—A striking parallel to the tragic weeks preceding the World War arises in the minds of informed oberservers here who watch the military movements in Europe.

Germany partly mobilizes for maneuvers, then come French and Czechoslovakian partial mobilization orders. As France pours men into the Maginot line along the German border, Germany sends men into her Siegfried line just opposite.

On the sea, Great Britain concentrates her fleet off north Scotland in position to blockade Germany. France cancels leaves of naval men and places Marseilles under military law. Italy stands by ready for action.

Persons close to the State Department still believe conflict can be averted if civil governments and diplomats make the decisions. But they fear the part the European military element might play in the negotiations.

MILITARY SNOWBALL

Thus it was in 1914. The story of the military snowball is quickly told.

Austria mobilized against Serbia after the assassination June 28 of Archduke Franz Ferdinand, heir to the Austrian throne, and his wife, by a young Serb. After diplomatic exchanges and an ultimatum, Austria invaded Serbia.

Then another curious parallel with the present occurred. Britain suggested as a compromise that Austria be content with the occupation of Belgrade until indemnification was paid for the assassination. The London Times, although disavowed by the British foreign office, has proposed that Germany be permitted to occupy the Sudeten portion of Czechoslovakia and be content with that.

On the ground that Austria also had mobilized troops in Galicia, facing Russia, Czar Nicholas issued pre-mobilization orders July 26 and later full mobilization decrees. Austria mobilized July 30.

Germany came into the military picture July 31 with an imperial order declaring "a state of threatening danger of war." She mobilized August 1, after ultimata to Russia and France.

GENERAL MOBILIZATION

General mobilization had just been decreed in France. The five Army corps which formed the frontier guard had taken their posts—the same sort of movement that has been effected on the Maginot line. On July 30 the French Government ordered its troops to stay six miles back of the frontier to avoid incidents with German troops.

Belgium placed her Army on a "reinformed peace footing" July 30 by calling out three classes of reservists. General mobilization followed the next day.

So diplomats gave way to generals and admirals when decisions had to be made. Germany's declarations of war against Russia and France came at 6:15 p.m., August 3.

RUMANIA HELD TO CO-OPERATE WITH GERMANY

Duranty Sees Era of Closer Relations as Result of Munich Peace

BY WALTER DURANTY

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BUCHAREST (By Wireless).—It is quite likely that relations between Rumania and Germany will be friendly enough in the future.

Of course, if Rumania tries to buck the German tiger, then that ferocious animal will use its teeth and claws. But the Rumanians are not stupid, and they recognize two factors which had somewhat escaped foreign notice in the present exciting days, when many people expected Germany to go ramping like a bull across South-Central Europe.

The first factor is that Rumania and Germany are natural commercial complements by the laws of geography and economics. Rumania has oil, grain, bauxite, lumber and live stock, which Germany needs. Germany has machines, equipment and organization, which Rumania requires for its own development.

In the second place, Rumanian trade has been diverted from Germany partly by the artificially high rates fixed for the Rumanian currency, and partly by a deliberate intention produced by French political influence, which was formerly so great here. The result has been that Rumania's three largest commercial interests, grain, oil and lumber, have been seriously depressed, which the Germans did not fail to observe.

Neither England—which has been less of a dog in the manger about Rumanian exports than France—nor France itself buys any great quantity of Rumanian products. But Germany would buy them gladly, and, as soon as the war-preparation pressure is removed from German factories, these products could be paid for by agricultural and industrial machinery. That is Germany's strongest trump in dealing with this country.

Business Advantage

Once a trade agreement has been concluded, mutual business dealings offer great mutual advantages. Such an agreement has heretofore been blocked by France, but, unless Rumania proves unwisely recalcitrant, it is certain to be concluded in the near future.

Should the Rumanians prove recalcitrant, Germany has other cards to play. Firstly, there is the question of Rumania's neighbors, Hungary and Bulgaria, especially the former, which desire restoration of the territory torn away by the peace treaty. With the least sign of encouragement, either or both of these neighbors would raise a dangerous and alarming racket.

Second — There is the Rumanian "Iron Guard," the native nazi organization, which has been declared an outlaw and whose leader, Codreanu, was sentenced to ten years' imprisonment, but which nevertheless polled 16 per cent. of the total vote in the national elections last October and which has not lost much of its strength or energy. The Iron Guard now professes, and perhaps sincerely feels, loyalty toward the king, but, if royal policy took an anti-German line, the guard might easily become a powerful opposition.

Finally, there is the astute and sleepless German propaganda, expressed in every available way. "Cultural friendly visits" of representatives of the Hitler youth and the German "kraft durch freude" movement; German trade representatives and other business groups; German money lavishly employed, openly and secretly, where it will do the most good; last but not least, action with and through the German-blood inhabitants of Rumania, who total over 750,000.

But, as things now look, there is no reason why such means of pressure should be applied, unless Hitler, swollen by his late success, does indeed dream of a united national socialist federation of central Europe, with himself as its fuehrer. Otherwise, there are many indications that the Rumanians will accept co-operation with Germany.

The king's speech about armaments last Sunday night might well mean a desire to create uniformity of armaments in the Rumanian army through German purchases no less than on British or French credits, which doubtless would not be forthcoming. In this connection, Rumanians point out that, for Skoda and French armaments, Rumania in the past had to pay cash, because neither France nor Czechoslovakia took Rumania products.

Germany is in quite a different position, and it is most probable that the king, who, as I have said, is very far from a playboy nowadays, realizes this and that he will be able to overcome such interested opposition as may remain in high political and financial circles.

I understand that the king is planning not only a reform of the currency on a more practical basis, but a restoration of Rumanian trade to its normal channel—namely, with Germany. That this would, in the long run, make Rumania an "economic vassal" of Germany is an argument to which the shrewdest section of Rumanian opinion now pays little attention. "That is what the French told us," the Rumanians remark with a shrug of the shoulders, "but what will France or England do for us—and what did they do for Czechoslovakia? No, indeed—geographic and economic laws are stronger than talk like that."

FRANCE PLANS ARMS SPEED-UP IF PACT FAILS

Munitions Workers to Keep Long Week — Mission to Moscow Strengthened

By the Associated Press.

PARIS, Oct. 22.—The French government made it plain after a cabinet meeting today that it had committed itself to a heavy rearmament program unless some kind of agreement could be obtained to minimize Europe's war dangers.

Immediate measures took the form of plans for speedy appointment of a high commissioner for armaments and the promise of immediate, stern measures to force employes of arms and airplane factories to work longer than the forty-hour week.

After the cabinet meeting, ministers said the government proposed summary dismissal of workers in airplane and arms plants who balked at the longer hours.

Leon Archambaud, president of the chamber of deputies subcommittee on national defense, was considered the most likely choice to direct the armaments speed-up. Ministers said the high commissioner for armaments would rank virtually as a member of the cabinet.

Government Taking No Chances

Foreign Minister Georges Bonnet informed the cabinet of conversations with Germany in an attempt to reach a nonaggression agreement, but the measures announced simultaneously to speed up armaments indicated that the government was taking no chances.

Premier Edouard Daladier outlined to the ministers his plans to use the forty-day decree powers voted him by parliament to build up France's economic and financial structures. That authority expires Nov. 15.

No hint leaked out, however, as to what steps were to be taken except that a large bond issue is likely for financing the rearmament program.

Belief in some quarters that France was about to turn a cold shoulder on soviet Russia was weakened by announcement of a series of important diplomatic shifts, including appointment of Paul Naggiar, ambassador to China, as ambassador to Moscow.

Naggiar is known as one of France's ablest diplomats, with a particularly keen knowledge of the Far East.

Henry Transferred to Barcelona

The appointment of Jules Henry, former charge d'affaires in the embassy at Washington, as ambassador to government Spain also was viewed as significant. Henry is one of Bonnet's closest aides.

Roughly one-third of the senate will be elected by indirect vote tomorrow. Little political importance is attached, however, to these elections by the departmental commissions composed of deputies, departmental councilors and delegates chosen by municipal councils.

Of the upper house's 314 seats, ninety-seven will be at stake in the first third of the nation's departments, taken in alphabetical order. Senators serve nine-year terms, with one-third of them elected every three years. There is no popular vote for senators.

LITHUANIA SAYS SHE IS NEUTRAL

Seeks to Appease Germany and Poland—To Relieve Polish Minority

KAUNAS, Lithuania, Oct. 22 (AP).—The Lithuanian government issued a communique today reaffirming the nation's neutrality. The cabinet had been recalled to discuss the European situation.

The communique suggested that, with Latvia and Estonia, Lithuania should make renewed efforts to improve relations with its great neighboring powers.

In view of differing opinion in Germany and Poland over Czechoslovakia, it was understood Lithuania had decided to remain strictly neutral. (Poland has favored granting Hungary eastern Czechoslovak territory, which would make a joint Polish-Hungarian boundary, and Germany has opposed it.)

Today's communique followed indications that the Kaunas government was planning to grant minority rights to the Poles in Lithuania and to suppress a patriotic organization demanding the reconquest from Poland of the traditional Lithuanian capital, Vilna.

Only last March Lithuania bowed to the wishes of Poland and surrendered Vilna. A day later, Polish troops paraded through the streets.

It was stated authoritatively that the government's gesture toward appeasement of Poland was due to a strong Polish protest against the treatment of the Polish minority.

BRITISH GUNBOAT BOMBED BY SIX JAPANESE PLANES; U.S. CRAFT STAY ON RIVER

'ACCIDENT' IS DOUBTED

Attack Scene Is 200 Miles From Hankow, Where Bombing Is Intense

1,000 REFUGEES KILLED

2 American Ships on Yangtze Ignore Invaders' Warning to Quit Danger Zone

By the Associated Press.

SHANGHAI, Oct. 24 (Monday).—The British navy announced today that six heavy Japanese bombing planes bombed the British gunboat Sandpiper at Changsha this morning, causing considerable damage to the superstructure of the ship. No casualties were reported.

British naval officers declared that information received here made it doubtful if the bombing was accidental.

The bombing followed by a few hours a Japanese warning Saturday to foreign vessels to withdraw from the Hankow area. The warning forecast a mass bombing of the tri-city area beyond anything yet attempted there.

Despite the warning four British gunboats and two United States gunboats, the Luzon and Guam, remained at their anchorages near Hankow.

The warning made no mention of Changsha, however, which is nearly 200 miles air-line distance from Hankow on a southwesterly direction. Changsha is located on the Siang river.

Refugee Ships Attacked

The Chinese press also declared that Japanese planes bombed the steamship Kianghsin near Yochow as it was sailing up the Yangtze river from Hankow with a crowded load of refugees aboard.

There were 1,000 casualties, Chinese reported.

(Hankow reports said Japanese were heavily bombing railroad terminals on both banks of the river at Hankow, and were diving and straffing the streams of refugees crowding the roads leading west from the city. Large fires were started in the railroad yards at Wuchang, one of the tri-cities.)

Japs Force U. S. Ship to Unload Silver Cargo

British Gunboat Bombed in China; Hungary Threatens Czechs Anew.

(Compiled from Associated Press and United Press Cable Dispatches.)

Two new international incidents involved Japan with foreign powers today as the China war moved toward new crises and threats of force again entered the remaking of Central Europe's map.

A customs dispute with United States authorities was settled when the Dollar Line agreed to unload silver valued at more than $4,000,000 from the liner President Coolidge at Shanghai.

Japanese had refused to clear the ship for San Francisco with the silver cargo, consigned to the Chase National Bank of New York, but which the Japanese-sponsored government evidently considered its property.

BRITISH SHIP BOMBED

Bombs from six Japanese planes damaged the superstructure of the little, weakly armed British gunboat Sandpiper at Changsha, about 200 miles southwest of Hankow.

British naval officials said they "vigorously" protested the bombing, but Japanese officials at Tokyo declared it must have been accidental.

One thousand Chinese were killed when Japanese bombing planes sank small Chinese steamships near Yochow, on the Yangtze 110 miles above Hankow, Chinese reports asserted.

The raid was one of a series along the Yangtze River and the Hankow-Canton railroad, as the Japanese drew near to the outskirts of Hankow, emergency capital of the Chinese Government.

CIVILIANS FLEE

Visitations of the bombing planes sent the remaining civilian population of the Wuhan cities—Hankow, Wuchang and Hanyang—fleeing in terror. Where there had been more than 1,000,000 people, there were few today in addition to the defending soldiers.

In Budapest, well-informed sources said Hungary, after receiving a fifth unacceptable proposal from Czechoslovakia, had set Wednesday as a deadline for the Prague Government to comply with her territorial demands.

Unless Czechoslovakia makes a satisfactory reply by then, they said, the Hungarian Army would start marching across the border; and the Polish Army would start marching into Ruthenia at the same moment.

Official circles in Warsaw, however, declared these reports were "false," asserting the Polish aim was peaceful settlement with Czechoslovakia.

CONTROL OF JEWS

In Prague, meanwhile, Sokol, the largest patriotic organization in Czechoslovakia, approved a resolution urging strict control of Jews and expulsion of some.

Outstanding in yesterday's French senatorial elections was an unmistakable shift to the right, interpreted by supporters of Premier Edouard Daladier as approval of his part in the Munich peace settlement.

Canton, Japanese-captured metropolis of South China which has been burning since it was occupied Friday, was threatened with obliteration by fires which roared into residential districts after burning out the business sections.

WIRED FOR DYNAMITING

With Japanese closing in on Hankow in a great semicircle from about twenty miles, the same fate apparently was in store for the provisional capital. In keeping with their "scorched earth and broken tile policy" of leaving nothing useful behind, Chinese began wiring Japanese properties for dynamiting.

Spanish war fronts still were quiet.

In Jerusalem, British troops planned a new large-scale drive on Arab rebels. It was expected to start this week.

The British authorities were surprised at the strong resistance of the rebels despite the increased size of the British armed forces, which now total about 20,000. The rebels continued to tear up telegraph poles, wreck railroad lines and burn and pillage offices.

Elsewhere:

RUMANIA — Government ministers indicated plans for creation of a political system modeled after the Nazi party in Germany. The realignment of Rumanian affairs toward cooperation with Germany was believed likely to revive the once powerful Iron Guard party.

GENEVA—The League of Nations mandates commission agreed to reexamine whether Britain violated her mandate over Palestine by restricting Jewish immigration. In London, United States Ambassador Joseph Kennedy called at the Foreign Office, presumably in connection with the Palestine problem.

HUNGARY EASES 'FINAL' TERMS

Shaves Demands by a Third, but Says She'll Act if Czechs Reject Them

BUDAPEST, Oct. 24 (AP).—Premier Bela Imredi tonight declared that "should our conciliatory proposals be rejected" by Czechoslovakia, the Hungarian government has decided "to enforce its justice by all means available to the nation."

The declaration was made in a press statement shortly after a government communique announced a new compromise proposal had been submitted to Prague by which Hungary shaved her demands for territorial cessions by about 30 per cent.

The compromise suggestion was offered after Hungary had stood fast for weeks in her demands for return of large areas inhabited by Magyars in Czechoslovakia, demands which Czechoslovakia has insisted were excessive.

Hopes for Peaceful Settlement

In his press statement Premier Imredi stressed that Hungary hoped for a peaceful settlement, an attitude that earlier had been emphasized by a government communique.

This followed preparation of an army of almost 500,000 men along the Czechoslovak frontier for any emergency, and reports in well-informed circles that it would march on Wednesday if Czechoslovakia had not by then acceded to previous Hungarian demands.

Hungary's new stand was understood in diplomatic circles to have been taken only after Germany, Italy and Poland strongly advised her not to continue pushing demands which would be unacceptable to any Czechoslovak government and which would endanger peace.

Hungary's latest offer, described as "final," and with an answer demanded in forty-eight hours, contains the following four proposals:

First—That undisputed areas of Czechoslovakia claimed by Hungary be occupied by Hungarian troops without further delay.

Second—That plebiscites be held in disputed districts not later than Nov. 30.

Third—That in the event Czechoslovakia should reject these demands, a German, Polish and Italian joint jury should arbitrate the dispute.

Fourth—That the right of "self-determination" be given to Ruthenians, Slovaks and other nationalities.

Should the Czechoslovak government accept the proposals, its troops would have to evacuate some 10,000 square kilometers (3,861 square miles) of "undisputed area" on Nov. 1. The Czechoslovak army would have to turn over to Hungary fortifications which were built at a cost of hundreds of millions of dollars.

Rich timber sections, ore mines and extensive railroad systems also would be returned to Hungary.

Understanding With Hitler Way to Peace, Halifax Says

Asserts Personal Contacts That Were Established at Munich Must Be Forwarded—Declares No Effort Could Have Saved Czechs

By the Associated Press.

EDINBURGH, Scotland, Oct. 24.—Viscount Halifax, British foreign secretary, advocated today a European peace based upon personal contacts made at the Munich four-power conference and an Anglo-German understanding.

"Our own course is clear," Lord Halifax said in outlining Britain's foreign policy. "We must lose no opportunity of helping forward the results of personal contacts established between Germany, Italy, France and ourselves at Munich."

By following this course, he said, "we shall not abandon old friends in the search for new."

He indicated the key to any four-power agreement would be an understanding between London and Berlin.

"I do not hesitate to say that if the German and British nations could really succeed in reaching an understanding it would be the strongest guarantee that could be devised against the dangers to which the world has been brought so close," Lord Halifax declared.

"I hope indeed that rectification of frontiers, according to the racial distribution of population which is now taking place in central southeastern Europe may contribute to stability and peace."

He stressed that the people of England "want war no more than the people in Germany or any other country want war."

But he was quick to add that the four powers at Munich only laid "the foundation on which we may build better things. * * * No one would pretend that any declaration between statesmen of itself can bring a remedy to all our ills."

The foreign minister spoke of three possibilities for the future.

"The first is war. The second is armed peace. The third is a peace of understanding.

"We wish to escape the first and we wish to achieve the third, but it may be that, just as Dante made entry into Paradise through the war of purgatory, so we—if we are to reach true peace—have to pass through the stage of armed peace to get there."

Lord Halifax added "there is a good deal of sense in the old-fashioned idea that an umbrella often helps keep rain away."

"We must take all measures—already taken months ago by continental countries—that are essential to our strength and safety," he said.

Lord Halifax took notice of reports abroad that there were warmongers in Britain.

Swastika Over Africa

Nazis Find Fertile Propaganda Field

Adolf Hitler has promised that the Sudetenland will be his "last territorial demand in Europe." Where does he go from there? The question of the return of German colonies is a logical next step. This is the question that Milton Bronner discusses in a series of three "ahead-of-the-news" articles written for The Chattanooga News. The second article follows.

By MILTON BRONNER

LONDON.—(NEA)—With 9,000 Germans out of a white population of 30,000 persons of European ancestry, the former German colony of Southwest Africa, now mandated to the Union of South Africa, is seen by the Nazis as fertile ground for the Hitlerian policy of "peaceful penetration" by propaganda and legal capture of Government influence.

This way the policy pursued in gaining mastery over Germany, and later Austria and the Sudetenland. And today the pattern is repeated in Southwest Africa, with Germans in the Legislative Assembly and the Nazi propaganda and intimidation machines working full blast on Teutonic Africans.

Back in 1920 Southwest Africa was mandated to the Union of South Africa. The territory was ruled by an administrator and advistory council, in which both the South African Union and German elements were represented.

In 1922 the Southwest Africans asked for some form of self-government. The Union of South Africa was willing, but felt that the Germans, who had remained in the colony and who wished to help rule it, should become naturalized subjects of the Union of South Africa.

Gen. Jan Smuts, then Premier of South Africa, in London arranged with representatives of the German Government to influence the Germans to accept. Accordingly, in 1924, the law was passed automatically extending naturalization to all Germans who had lived in the territory before Jan. 1, 1924.

A self-government act was passed and from then on German elements had a direct hand in the governing of this former Reich colony.

It was about that time, too, that the Government began to have trouble with its German citizens. They became infected with the Nazi fever. They formed a regular Nazi organization, uniforms and all. They organized a Hitler Jugend or youth group. They began an anti-Semitic boycott. They demanded that German be made one of the official languages of the territory along with English and Boer Dutch. The Union of South Africa was perfectly willing to grant this, but in its own time and own way, without seeming to yield to pressure.

In July, 1933, authorized Nazi agents, armed with written powers and with funds, went to Southwest Africa for the Nazification of all Germans in the territory. Those who were reluctant were dragooned into the Nazi net by threats of what would happen to their relatives and property—if any—back in Germany. They were also told:

"Hitler is going to get this colony back from South Africa. When that happens, think what will happen to you if you are not a loyal Nazi."

The German schools became nurseries for Nazi recruits. Provocative processions were held in the capital, Windhoek. On one occasion the South African flag was pulled down from Government buildings and the German flag substituted. In 1934 the German element resigned from the Legislative Assembly and the advisory council.

Patience being exhausted, the South African police in July, 1934, raided the offices of the Nazi organization and the Hitler Jugend. An amazing collection of documents and letters was found.

Ritter Franz von Epp, close friend of Hitler, had written from Germany:

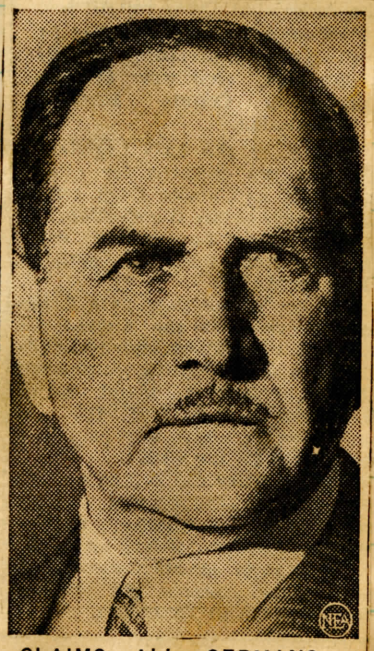
"By naturalization Germans do not lose their Germanism if they do not give themselves up for lost."

In February, 1934, a Nazi organizer in Hamburg sent out an order that all holders of office in German organizations in the territory must take oath:

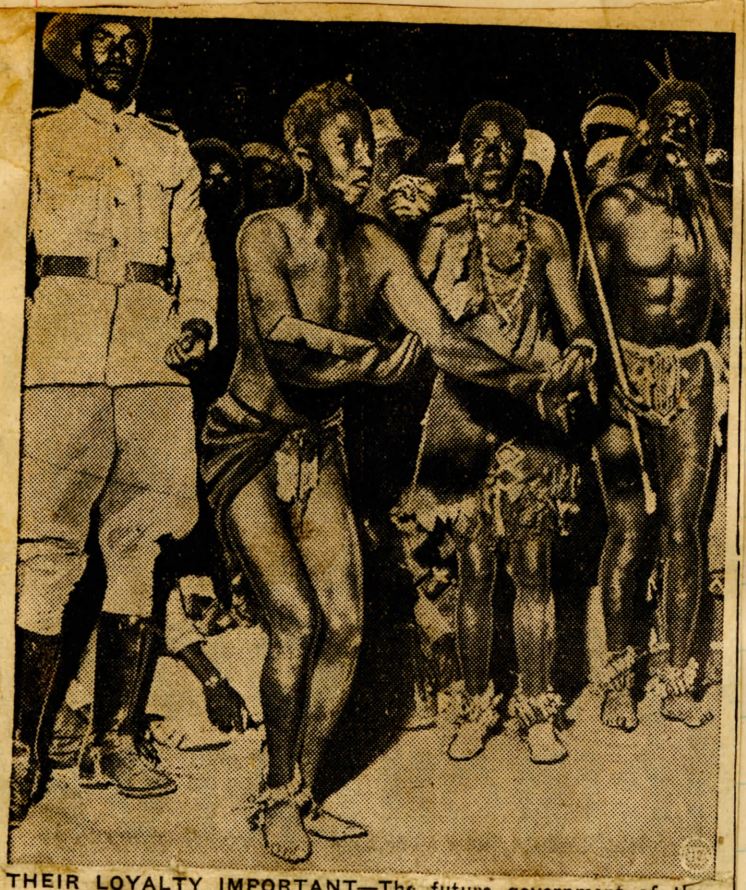
"I swear that I will bear unbreakable allegience to Adolf Hitler and yield unconditional obedience to leaders appointed by him over me."

In April, 1937, the long-suffering Government of the territory took swift action. It made it an offense for any person, not a British subject, to become a member or officer of any public body, to address such a body or become a member or officer of a political organization. Further, it made it an offense for any British subject to take an oath that he will bear allegiance to any sovereign or head of a State other than the British King or to take an oath of fealty to any government or to any official or of a government of any State other than the Union of South Africa or to take an oath of fealty to any foreign organization. The penalty in each case is a fine not exceeding $500 or a year's imprisonment or both.

But the recent European war scare, culminating in the Munich "settlement," which gave Hitler just about what he wanted in Czechoslovakia, acted as a shot in the arm of pro-Nazi elements in Southwest Africa. Agitation increased, and Dr. the Hon. David G. Conradie, Union of South Africa administrator for Southwest Africa, received petitions asking him to convene the Legislative Assembly to vote whether or not a plebiscite should be held on the return of the former colony to Germany.



CLAIMS ALL GERMANS—Practically all Germans in Southwest Africa accepted automatic naturalization as subjects of the British crown by becoming citizens of the Union of South Africa. But Gen. Franz Ritter von Epp, above, close friend of Hitler and powerful in Nazi councils, assured them that "naturalized Germans do not lose their Germanism."



THEIR LOYALTY IMPORTANT—The future government of the pre-war German colony of Southwest Africa may depend on whether hundreds of thousands of natives, such as the ones shown above, maintain their present allegiance to the British Union of South Africa rule, or prefer their former German masters. The warriors in the photo are putting on a war dance under the watchful eye of a Union native policeman near Windhoek, capital of Southwest Africa.

WHERE NAZIS DEMONSTRATED—Provocative processions were staged by pro-Nazis in Windhoek, capital of Southwest Africa, whose government building is pictured above. On one occasion, the flag of the Union of South Africa was pulled down from official buildings and the German flag substituted.

CZECHS DECIDE TO STAND FIRM

Reject Latest Hungarian Demands, But Do Not Break Off Talks

PRAGUE, Oct. 25 (AP). — Czechoslovakia was reported tonight to have turned down the latest Hungarian demands for territory, but without closing the door on further negotiations.

A laconic communique issued after a session of the three governments—the national, autonomous Slovak and autonomous Ruthenian—said a "basis for further negotiations has been established."

In informed diplomatic circles, however, it was understood Czechoslovakia had decided on at least three definite points:

First — Rejection of the Hungarian suggestion for plebiscites in regions of mixed populations.

Second — Rejection of Hungary's proposal to arbitrate the territorial controversy with Germany, Italy and Poland as mediators.

Third—A firm decision to hold to the terms of the Munich accord, with any cession of territory dependent upon the approval of the four powers —Britain, France, Germany and Italy —which participated in that conference.

Officially, it was explained that the text of the Czechoslovak reply would not be published until it has been sent to Budapest.

Czechoslovakia was reported in official quarters to have agreed to what amounts to a 50 per cent. concession to Hungary's proposal of yesterday, and it was said these concessions were made "upon the advice of Berlin."

Hungary in yesterday's plan dropped about 30 per cent. of her previous demands, and this compromise also was reported to have been made under pressure from abroad — from Berlin, Rome and Warsaw.

France Willing To Desert Russia To Appease Nazis.

MARSEILLE.—(A. P.)—Premier Daladier today told the congress of his own Radical-Socialist party that he believed Germany and France would come to an understanding.

Addressing a packed auditorium, the Premier declared that there 'are powerful reasons for mutual esteem" between the two countries "which must lead to loyal collaboration."

Before Daladier spoke members of Parliament attending the congress said France already had expressed willingness to drop her mutual assistance pacts with Soviet Russia in order to reach an agreement with Germany.

Declaring that French policy would correspond 'to the elements of the new situation" in Europe, Daladier let it be understood that the Government would seek a greater outlet for the nation's energy in its colonial empire rather than dispute continental leadership with the Nazi State.

He also asserted that he believed France would find an entente with Italy.

REICH RETURNS POLAND'S JEWS

Several Thousand Men Are Expelled Before Poles Tighten Entry Laws

BERLIN, Oct. 28 (AP).—Germany acted swiftly today to return several thousand male Polish Jews to their homeland before the tightening of Polish citizenship laws might block their re-entry.

(In Warsaw an informed source said that "in all probability" the German action would be held up and that it apparently had resulted from "a misunderstanding" of Poland's new citizenship law requiring revalidation of Polish passports held abroad.)

In Berlin alone several hundred Polish Jews were rounded up in the early morning. From Vienna, Cologne, Braunschweig and other cities came reports of new measures against Jews.

Authoritative sources said several thousand men were taken to the Polish border today and others were expected to be moved within the next few days.

Weeping women and children, who saw their husbands, sons and fathers seized by Berlin police in the early morning hours, milled excitedly outside the police barracks, where the men were held during the day.

The women carried battered suitcases, blankets, food and cigarettes for the men. They were not permitted to see the men or say good-bye and were not told the plans for their evacuation.

In Vienna police were assisted by S. S. (black-shirted) guards in a systematic search of the Jewish section. The number of Polish Jews taken into custody was not known, but it was estimated to exceed 2,000.

About 500 of those arrested were Hungarian and Rumanian Jews and they later were released.

The number of Polish Jews in Vienna was estimated at 8,000 and it was considered likely there that Polish Jews not repatriated might be taken to a new concentration camp at Mauthausen in upper Austria.

Jews with Polish citizenship have been a constant snag in the anti-Semitic movement in Germany since ordinary measures failed to reach them as completely as German Jews.

The government estimates that 150,000 Poles are living in Germany, but only a fraction of these are Jews.

A new Polish law effective Sunday provides that Poles living abroad must have their passports certified by consular officers or lose their right to re-enter Poland.

The measure was interpreted in Polish Jewish circles as an attempt to deprive Polish Jews abroad of their passports.

The new quota, announced Wednesday, had been interpreted in some quarters as a reduction from the previous six-month period, although on its face, it had appeared to be an increase.

The figure was set at 4,870—2,020 "capitalists," forty craftsmen, 200 in the rabbinate, 1,150 laborers, 1,450 dependents other than wives and children, and ten orphans. As many of these probably will be heads of families—whose wives and children are not tabulated in the 4,870 quota—the real number of Jews who will be admitted would be much larger.

The only change, officials said, was to "regularize" an increase in the quota for dependents other than wives and children allowed last period. This they described merely as bookkeeping.

600 Represented "Loan"

Actually, they said, the increase represents an advance "loaned" by immigration authorities to Jews from the new half-year's quota for use in the previous period because of the critical situation of Jews in Europe at that time.

As this "loan" must appear somewhere in the government's records of immigration, officials added it to the figures for the new half-year and left those for the previous period unchanged.

Thus, subtracting 600 from the 4,870 quota for this period, the effective total becomes 4,270. Similarly, adding the 600 "loan" to the set figure of 3,670 for the half-year just ended, that period's actual total also becomes 4,270.

It will be seen, therefore, that there has been neither an increase nor a decrease, but only a bookkeeping transaction to keep immigration records balanced.

The current period began Oct. 1 and ends March 31, 1939.

TAHITI TRIES LOTTERY TO FINANCE FARM BODY

PAPEETE, Tahiti (AP).—A Chinese merchant won the capital prize of 20,000 francs in Tahiti's first venture into a public lottery. The project was undertaken to resuscitate the Caisse Agricole, a financial institution established seventy years ago to aid local agriculture.

HOLY LAND'S QUOTA OF JEWS THE SAME

British Point Out Difference From Last Period Merely Matter of Bookkeeping

JERUSALEM, Oct. 29 (AP).—British immigration authorities explained today that the quota of Jews who will be permitted to enter Palestine in the next six months is substantially the same as for the six months just past.

BRITAIN HOPES WILL BE READY IN NEXT CRISIS

Works Hard on Rearmament, Talks of New Trouble in the Spring

BY JAMES B. RESTON AND VANDERSCHMIDT
Associated Press Foreign Staff.

LONDON.—Britain, terrified by her own self-admitted defenselessness, is working with fatalistic tranquility toward the next European crisis.

Already there is talk of trouble in the spring.

Then, say the prophets, Hitler will demand the return of his war-lost colonies or move on the granaries and refineries of Rumania.

And then, say the British, Britain must be strong.

Britain knows now that the threat of war is a fundamental of nazi diplomacy. She supports that modern paradox. That armaments must increase if disarmament is to be possible. And she admits that every major European power must be invulnerable to attack from the air.

Admitting this, Whitehall officials have, first of all, turned to the mistakes and revelations of the last crisis to prepare for the next.

In that tragic final week of September, it is now generally admitted:

That Britain's modern first line planes were numerically below the necessary standard.

That her antiaircraft guns were deficient in quantity and antiquated in quality.

That the vast air raid precautions scheme bogged down for lack of men and organization.

That only one-seventh of the auxiliary fire brigade staff was available.

And that the public was neither organized nor prepared for anything like modern warfare.

Investigation since the crisis revealed many gaps.

In the first place there was a widespread shortage of medium sized gas masks.

Parents were told to take their babies to the nearest gasproof shelters, but there were no public gasproof shelters.

Food hoarding and profiteering, in a single week, were general.

Carelessness with gas masks after the crisis was so evident that hundreds of masks were found in alley dustbins.

Few Modern Fighting Planes

A reporter visited one of the royal air force fighter squadrons the week after the crisis. In this group there were twenty-six first line fighters. Out of this only three were modern Hawker Hurricanes, which have a top speed of around 340 miles an hour. The rest were Gauntlets with top speed of only 230 miles an hour.

The night before the Munich peace was signed, this airdrome and every plane had been camouflaged for action. It is indicative of the present state of the British official mind that orders have been issued to keep the squadron on an emergency basis.

Since the crisis the third phase in the modernization of the territorial army has been announced, and it has been stated that the A. R. P. will be put on a permanent basis.

Critics of the government insist that A. R. P. should not only be put on a permanent basis, but should form a separate department of the government with a cabinet minister in charge.

When parliament reconvenes on Tuesday, there will probably be agitation from the left and center for a secret investigation into the country's defenses, and for some form of national service to bolster the A. R. P.

Prime Minister Chamberlain's repeated statements that the government was doing everything it could to make the nation secure was followed by his admission that it was not secure enough to make his diplomacy at Berchtesgaden effective. He will face criticism in the coming session.

Even on his own side of the house it is felt that Britain must not be forced to carry Hitler's ultimatums when the next crisis comes.

Chamberlain faces the clearcut task during the coming parliament of mobilizing a willing, but bewildered nation for defense.

At home the prime minister's job is just as complex as it is abroad.

Since the passing of the crisis the nation's leadership has anxiously demanded some English substitute for conscription to enable this country to catch up with Germany—the very power which Chamberlain is determined to "appease."

Large sections of the press have expressed disappointment that the prime minister, in commons, reiterated his opposition to peacetime conscription itself.

Whether the press lords' desire for compulsory service is shared by the common folk who read their papers is something else again.

Masses Believe Only Alternative Taken

However, there is no doubt but that the masses believe Chamberlain took the only alternative at Munich and that they are willing to follow him in at least a mild form of national organization.

The government, once it has put its own house in order, is expected, therefore, to introduce something in the nature of a national register.

This would help solve the problem poised by precise Sir John Simon in a recent speech.

"If the willing citizen of a fortnight ago had known beforehand where he was wanted he would have been able to render to his country an indefinitely greater service. If he had had his allotted task, if he had trained for it, if he had learned to know his colleagues, and if he knew from who he should take orders, the efficiency of those volunteers would be multiplied a hundred-fold.

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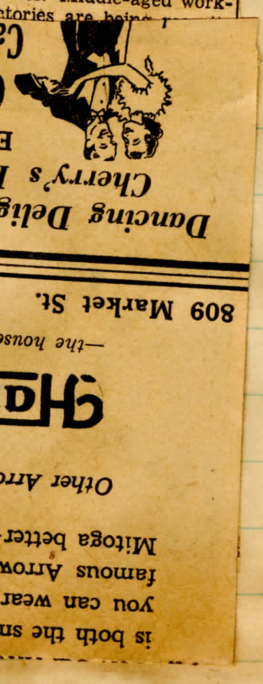

BRITAIN URGED TO AID ACCORD

Chamberlain Tells Critical House Nation Must Foster Friendship With Reich

LONDON, Nov. 1 (AP).—Prime Minister Chamberlain held out his hand anew tonight to Adolf Hitler in behalf of economic peace and a curb on armaments.

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Turning his back on any new armament race with the reich, Chamberlain said:

"What we are aiming at is: First a limitation of armaments by agreement, because unilateral disarmament will help nobody, and in the end their practical abolishment. That is looking very far ahead. I shall not see it, but I do not see why I should not see the first stages of it if we pursue a consistent policy."

Likewise the 69-year-old prime minister recognized Germany's geographical right to a "dominating position" in central and southeastern Europe and declared "don't let us suppose that there must be economic warfare between Germany and ourselves."

Chamberlain outlined his plans to harness Great Britain's voluntary civilian effort and to build strong air-raid defenses under the guiding hand of Sir John Anderson, newly added to the cabinet as lord privy seal and minister for civilian defense.

But he opposed compulsion either for the mobilization of men or industry "until we have done everything we can on voluntary lines."

Chamberlain replied to German and Italian suspicions of Britain's determination to rebuild her defenses with a disavowal of any aggressive intentions or any desire to enter a new armaments race.

"We shall never get far unless we can accustom ourselves to the idea that democratic and totalitarian powers can work together in a constructive program to facilitate the interchange of goods and to improve relations for the good of all," he said.

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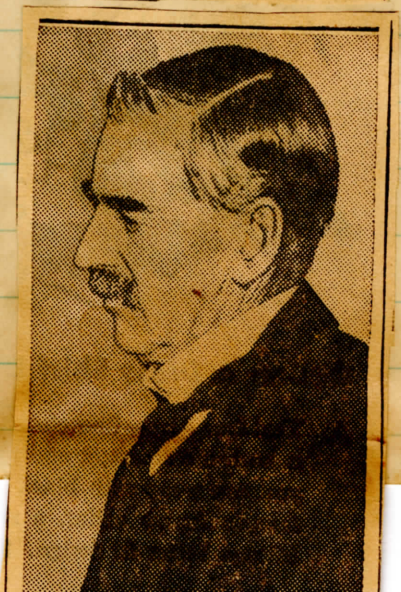
Significantly Sir John pointed out: "Compulsion is not the same thing as organization."

This question of man power is considered the basic problem in the big gaps which must be filled.



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Rumania Is Next Coveted Prize In German Economic Penetration

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Nov. 1.—Negotiations under way in Bucharest between Germany and Rumania probably are going to determine trade relations between the two nations in the light of Germany's absorption of Sudetenland and Austria.

Already German economic penetration of southeast Europe has been spurred by new trade arrangements with Yugoslavia, Bulgaria and Turkey.

Rumania, with her abundance of raw materials, is the coveted prize for further economic penetration and if the current negotiations are successful Germany hopes to pass another milestone on the road to economic independence of the western democracies.

Germany is Rumania's best foreign customer. It is understood now that the reich, hungry for fuel, is anxious to increase sharply her purchases of gasoline from Rumania's rich petroleum fields.

Economic experts of the two nations are working for a pact to replace their 1935 agreement which expires soon.

Her prestige heightened in the Danube valley by annexation of Austria and Czechoslovakia's Sudetenland, a greater Germany will be taken into account in this new pact.

About one-third of Rumania's 30,000,000 lei ($22,200,000) export business goes to Germany and about a quarter of that amount consists of gasoline purchases.

As a step toward increasing trade, Germany is understood to be desirous of increasing the ratio of her gasoline purchases from 25 per cent. of what she buys from Rumania to 35 or even 40 per cent.

On the other hand, Rumania is reluctant to tie herself to any one nation—especially not to one operating on a barter basis as Germany is, Rumanian sources say.

Rumania rather would do business with nations having currencies favored in world markets—such as British sterling, the French franc or the American dollar.

Besides gasoline, the question of quotas on manufactured goods and raw materials to be exchanged, and methods of payment are under discussion in the negotiations which are expected to continue for two weeks.

Ships Battle Off English Coast

By the Associated Press.

An unidentified cruiser engaged in a violent gun battle today with the Spanish freighter Carthagena within sight of watchers on the Norfolk (England) coast.

The British steamer Monkwood sent out the following message:

"An armed cruiser has been firing on the Spanish steamer Carthagena for over an hour.

"The steamer appears to be considerably damaged and the cruiser is flying flags saying, 'Hove to or I fire.'"

IDENTITY UNDETERMINED

The Monkwood's message, addressed to the Admiralty, added that the attacking warship was a Spanish Government armed auxiliary.

The Press Association (British news agency) said that in spite of the Monkwood's report it was believed the cruiser was an insurgent vessel.

At Same Time Chamberlain Talks of Peace

Japan Reiterates Intention to Rule China; Severs Last Ties With League.

In gathering dusk watchers on shore plainly saw the gun flashes, while the roar of the cannonading shook windows and houses.

Flames leaped from the Carthagena as a result of the warship's bombardment.

* * *

At almost the same time Prime Minister Chamberlain was telling the House of Commons that "the Spanish question is no longer a menace to the peace of the world."

Chamberlain's remarks were in support of the swift approval he desired for the operation of the Easter accord between Great Britain and Italy.

DEBATE LIMITED

Chamberlain refused to extend the single day he had allotted for debate of his treaty with Premier Mussolini in the House of Commons.

* * *

Hitler Ready To Guarantee Czech Borders

Naval Battle Off England Causes Jeers In Parliament.

(By the Associated Press.)

Germany and Italy were understood today to be ready to guarantee the borders of dismembered Czechoslovakia as a Spanish war incident within sight of England's coast raised opposition shouts in the House of Commons and fears grew of new map revisions in Central Europe.

* * *

Czechoslovakia now has been cut down to about 38,031 square miles from 54,196 square miles before the Munich peace. Satisfaction of most of Hungary's territorial demands yesterday by Germany and Italy as arbitrators cost Czechoslovakia 4,875 miles in addition to 10,885 square miles of Sudetenland previously lost to Germany and 405 square miles taken by Poland.

But Czechoslovakian Foreign Minister Franktisek Chvalkovsky was said to have returned to Prague with German and Italian assurances for what was left of his country.

Now it is the turn of Yugoslavia and Rumania to worry. Their observers at the arbitration proceedings expressed fear that Germany and Italy would force complete revision of the postwar Trianon treaty, with which prewar Hungary was split among the victorious countries.

Ailing Prime Minister Chamberlain was too ill to take the floor to answer House of Commons demands for a statement on the sinking of the British-chartered Spanish freighter Cantabria yesterday by a Spanish Insurgent warship off the English coast.

The incident, within earshot of the east coast near Cromer, caused new opposition cries almost immediately after the Prime Minister had won an overwhelming vote of approval, 345 to 138, for putting into effect the April 16 British-Italian friendship pact.

On the Spanish front a steady Insurgent advance pushed Government troops slowly back on the Ebro salient in lower Catalonia. Insurgent advices indicated a Government collapse in that sector was only a matter of time, but Government reports said Insurgent gains were slight and "at the cost of heavy losses."

* * *

A new army of 300,000 recruits is being trained in Szechwan Province, food is being requisitioned and factories and mines developed as China continues to resist Japanese forces still fanning out slowly from captured Hankow.

ADMITS LONDON WAS OFF GUARD

Hore-Belisha Tells Commons of Blunders in Crisis—Defense Plan Approved

LONDON, Nov. 3 (AP).—Prime Minister Neville Chamberlain's government tonight won its second vote of confidence in two days when an opposition motion censuring the government for Britain's inadequate defenses was defeated, 355 to 130.

The opposition motion asked the house of commons to censure the government's "admitted unpreparedness to protect the civil population when the country was brought to the brink of war" during the September Czechoslovak crisis.

Commons then gave approval to a government-proposed amendment to the censure motion supporting "the government's determination to complete with the utmost speed the measures necessary to provide for the country's needs."

Defense Blunders Revealed

Leslie Hore-Belisha, war secretary, in a confession of defense blunders revealed during the September crisis, gave these facts:

Guns for London's defense did not have the right ammunition, some of them were without dials because of the bankruptcy of the dial-making firm, and some of the predictors were out of order and there was not a sufficient personnel to maintain them.

Some defense units could not draw their full complement because stores were deficient and some guns were mounted without over-haul because of the rush, Hore-Belisha continued.

The revelation provoked expressions of astonishment and laughter, to which the war minister retorted that "I frankly am stating these omissions because if I do not candidly confess them, the house may feel I am not taking the necessary remedies for the future."

Pledge to "Regain Security"

Government spokesman had promised a triple effort along that line to "regain the insular security" of Britain.

The house of lords meanwhile adopted by 55 to 6 votes a government motion approving early application of the Anglo-Italian Easter friendship accord. Commons approved a similar motion last night.

Sir Samuel Hoare, home secretary who now turns over civilian defense measures to vigorous Sir John Anderson, new lord privy seal, declared in the lower house:

"This country can make as good a system of passive defense as any in the world.

"We are determined to make it effective and see that it can play its full part with a substantial increase of the air force and a greatly increased system of antiaircraft guns."

Self-Made Ghetto

Eyes dull with despair, this Sudeten Jewish mother and daughter gaze toward a future that seems hopeless as they huddle on the cold ground of a refugee camp in the no-man's-land between German Sudetenland and Czechoslovakia. Like hundreds of other Jews, they were forced from their Sudetenland home after Germany took the area, and refused entry into Czechoslovakia. They live in a self-made roadside ghetto, penniless and hungry, scrabbling in the fields for potatoes overlooked by harvesters. Their only shelter is a tarpaulin given by a sympathetic frontier guard.

War Refugees Face Typhus Epidemic

(Compiled From Associated Press and United Press Cable Dispatches.)

Hungarian troops marched across the Danube River today to start occupying another slice of dismembered Czechoslovakia while Japan pressed her economic campaign in China over foreign protests and civil war armies in Spain fought a major battle.

In Warsaw, the Jewish relief committee said that typhus had broken out among about 5,000 Jews, deported from Germany, who are held in emergency barracks on the Polish side of the frontier at Sbaszyn. The number of cases was not yet established, it was said.

Fourteen doctors were dispatched to the town. The Polish Red Cross, cooperating with Jewish relief organizations, took extensive precautions against a spread of the outbreak.

COLD AND HUNGRY

Cold and dampness and inadequate food supplies among the refugees were cited by Jewish sources as partly responsible.

Approximately 7,000 other Jews deported from Germany had been transplanted inland in Poland and now had adequate accomodations as the result of a national collection of clothes, food and money by Jewish communities.

* * *

The Hungarian army of occupation entered the first zone of 4,875 square miles of Czechoslovakia awarded to Hungary at Vienna last Wednesday by German and Italian arbitrators while Hungary celebrated her day of "National Resurrection."

* * *

Foreign circles in Shanghai reported that the United States, Great Britain and France were preparing new protests against exclusion from the rich Yangtze Valley while Japanese merchants were arranging economic monopolies.

JAPS WANT RIVER

Japanese, accused by foreigners of attempting to hang a "keep out" sign on China's open door, insisted that military necessity required the Yangtze to be made virtually a Japanese river.

A week's fighting since the fall of Hankow, Generalissimo Chiang Kai-Shek's former provisional capital, has seen Japan's army fan out deeper into Central China. One column was reported attacking Yanglouting, 100 miles to the South; a second, Yincheng, 55 to the Northwest, and a third, Hanchwan, 25 miles to the West.

* * *

Spanish insurgents, locked all week in a bitter battle with government troops holding the Ebro River salient in Lower Catalonia, reported they had captured two important bridges at Miravet and Benisanet, just south of Mora de Ebro.

Mora de Ebro itself, center of government resistance and a major objective, was menaced by insurgent columns driving in from three sides.

* * *

In Budapest the authoritative Hungarian newspaper, Pester Lloyd, reported that numerous Jews were arrested at Bratislava, just across the border in Czechoslovakia, as the Slovak government instituted its first anti-Semitic measures.

The newspaper said the Jews arrested were those who "demonstrated hostility toward the Slovak State or were known to be engaged in dubious commercial customs."

* * *

It was reported in London that Prime Minister Neville Chamberlain and Viscount Halifax, foreign minister, intend to lay the foundation for an eventual British-French-German - Italian conference when they visit Paris at the invitation of the French government November 23 and 24.

Officially, the visit is one in return for that which Premier Edouard Daladier and Foreign Minister Georges Bonnet paid to London last April, before their Czechoslovak crisis visits. However, it will serve to reaffirm British French solidarity in light of the Munich agreement for the dismemberment of Czechoslovakia.

Russia Sternly Warns Japanese

(Compiled from Associated Press and United Press cable dispatches.)

Two anniversaries were observed in a tense Europe today.

Thousands massed in Moscow's Red Square to celebrate the twenty-first anniversary of the revolution which put the bolshevists in power.

They heard Klementi Voroshiloff, war commissar, warn Japan and other potential enemies that the Changkufeng incident in which Russian and Japanese forces clashed on the Manchukuo border last August was just a sample of what the Soviet forces are capable of if attacked.

More than 1,000,000 civilian demonstrators with banners paraded in the square.

'BERRIES NEXT"

Using a Russian proverb, Voroshiloff said:

"Gentlemen, that which you got in the Changkufeng region are only flowers. Berries will be next. Any arrogant enemy, no matter where he pokes his nose, will get them.

"Let the enemy remember that we do not always confine our action to our territory."

Voroshiloff described Changkufeng as not war, but a test of forces made by "our nervous and stupid neighbor who dreamed to seize part of our territory easily, quickly and cheaply."

In Spain, Madrid was observing the second anniversary of one of the greatest sieges in modern history. At the same time the Loyalists were stiffening their defense on the Ebro River front.

And at Barcelona, Julio Alvarez del Vayo, foreign minister, announced that the Loyalists had learned in the last week of the presence of a new Italian division in Spain named the Green Arrows.

He said the Government also had evidence that other divisions already in Spain are being reorganized and incorporated in the foreign legion of the Insurgent army.

LONDON.—(U. P.)—The Spanish Press Agency said in a dispatch from Barcelona today that the Loyalist Armies had crossed the Segre Rver in a surprise offensive near Lerida.

HUNGARY WANTS MORE

Hungary, excited by military occupation of about 4,875 square miles of Czechoslovakia, raised a clamor for further territorial expansion, while Japan paved the way for new exploitation of conquered areas of China.

In Paris a youth described as a Polish Jew who "wanted to avenge his Polish brethren," fired two shots in the German Embassy, gravely wounding Ernst von Rath, a secretary.

Georgi Dimitroff, secretary-general of the Communist International, predicted that Germany, advancing to the east, might be at war with Russia by late 1941.

Enthusiasm surged in Budapest as leaders told the Hungarian nation that recovery of territory from Czechoslovakia was "only partial justice."

JAPS PLAN DEVELOPMENT

Japan organized the Central China Development Company, similar to her previous North China Development Company, but the president, Kenji Kodama, pledged that "we have no idea of monopoly. . . . We will not interfere with foreign interests."

At Weimar, Germany, Reichsfuehrer Hitler told 100,000 Nazis yesterday that Germany regained greatness through arms and "we won't forget how our success came." He declared, however, that Germany's wish was that the "world leave us alone" and said he had decided on an army strong enough to assure fulfillment of that wish.

France's powerful Socialist party, charging that Nationalists were plotting to seize power on Armistice Day, presented a resolution to Premier Daladier demanding guarantees of "free functioning of Parliament and the democratic regime."

The Foreign Office in London was advised that Sir A. Clarke Kerr, British ambassador, had conferred with Chiang Kai-shek after trying for several days to locate the Chinese generalissimo. A Foreign Office spokesman said he had no knowledge of whether they discussed a possible peace effort.

FUEHRER VOWS TO SAVE REICH

Lectures Democracies, Says He Will Create Defenses 'Conducive' to Peace

WEIMAR, Germany, Nov. 6 (AP).—Reichsfuehrer Adolf Hitler lectured democracies today and, speaking "as a peace-loving man," declared "I have decided to give the German reich a defense force that will be conducive to peace being kept."

The chancellor spoke before a mass meeting for thirty-five minutes as he came here to reveiw nazi formations in the capital of Thuringia, once a socialist hot-bed which became one of the earliest converts to nazi doctrines.

He said he was suspicious of talk of reducing armaments while the rest of the world armed to the teeth and took cognizance of British laborite criticism of naziism to proclaim it his duty "to see that this reich shall not be crushed."

Victors Called Betrayers

Hitler launched his lecturing of democracies with a historical review in which he branded action by the World war victors in disregard of Woodrow Wilson's fourteen points as "the greatest betrayal of all time."

"Let democracies understand this: If they talk about rights of small peoples, they should not deny rights to big peoples," he said.

"But history has shown that democracy in practice is different from democracy in theory.

"Democrats can only conceive of one duty, namely, to uphold democracy with resultant liberty to anybody to incite to war.

"I cannot expect them to alter their constitutions, but when one reads of Commoner Greenwood (Laborite Arthur Greenwood) in the British parliament uttering the wish that naziism and fascism be crushed and when one thinks of the possibility that his party may come once into power, it is my duty to see that this reich shall not be crushed.

"Let the world leave us alone. We want nothing but to get on with our work in peace."

The chancellor touched briefly on Germany's acquisition of Austria and Czechoslovakia's Sudeten areas, saying these territories had become loyal members of greater Germany.

"We must believe in higher justice," he exclaimed, "when we see how our strenuous efforts have received their reward."

One hundred thousand nazis assembled in Weimar stadium heard the fuehrer's address.

In his reference to disarmament he said:

"It is very nice to talk about disarmament, but I am skeptical of disarmament when the spirit also is not disarmed."

Here he added he also was skeptical because "others were arming to the teeth," and at the end of his address he asserted that what was needed was "disarmament of the warmonger."

He developed as his theme that if there were only authoritarian states in the world to deal with, disarmament would be possible.

Germany, he said, had become a great power through arms.

"The German is either the first soldier or he is none at all," he declared.

"We won't forget how our success came. * * * We know that had we remained unarmed negotiations would have gone on forever."

LEFTISTS CHECK REBEL ADVANCE

Sudden Counter-Drive Sends Columns Into Hills Near Strategic Ebro City

HENDAYE, France (At the Spanish Frontier), Nov. 6 (AP).—Spanish government counterattacks of unexpected strength were reported today to have held back an insurgent offensive aimed at wiping out the government's salient on the west bank of the Ebro river.

The advancing insurgents clashed in a battle with a reorganized government army near the confluence of the Ebro river and Benisanet creek—the outer defense of Mora de Ebro, the government's last stronghold in the zone on the west bank of the Ebro.

The government counterattack was unleashed in the morning just after two insurgent columns had joined forces, one moving west between Venta de los Camposines and the Caballos mountains and the other driving north toward Benisanet creek.

Before the merged columns could organize into a single fighting unit, government troops struck. Waves of tanks led their attack while squadrons of warplanes bombed and machine-gunned the insurgent rear guard.

Insurgent dispatches, however, said Generalissimo Franco's troops quickly took cover in hills, rushed up light field guns and held against the government attacks.

Government reports contended the counterattack, nevertheless, had fulfilled its objective—to bring Franco's eight-day advance to a halt before it reached Mora de Ebro.

Dispatches from both sides indicated combined casualties for the two armies in eight days of sanguinary fighting had mounted to more than 5,000 men.

Insurgent reports said 700 government prisoners were captured yesterday alone, raising to 3,600 the number of captives sent behind Franco's lines at the end of six days of the offensive.

Franco's troops, which had advanced steadily, were said also to have captured large quantities of arms and munitions, including twelve tanks.

Mora de Ebro's major importance now lies in its position in the center of a broad eastward bend of the Ebro, controlling communications into the hotly contested area just to the west where the insurgents have been attacking since last Sunday.

BRITAIN DROPS DIVISION PLANS FOR HOLY LAND

Jews, Arabs Told, However, They Must Reach Accord at Conference Table

RIGHT TO ACT RETAINED

Cantonal Autonomy Set-up May Be Invoked to Ease Interracial Friction

By the Associated Press.

LONDON, Nov. 9.—Great Britain tonight sought peace for revolt-ridden Palestine through a plan to gather Arab and Jewish leaders around a London conference table seeking compromise of their bitter dispute over Jewish immigration to the Holy Land.

The British government discarded as unworkable a proposal to solve the problem by setting up Arab and Jewish states.

Disturbed by general Arab unrest in the Near East and the growing Jewish refugee problem in Europe, Britain warned it would impose its own solution unless the Arabs and Jews find common ground soon for burying their differences.

Britain's position was outlined in a statement of policy issued along with the royal commission's report on Palestine. The commission, headed by Sir John Woodhead, found impracticable a plan to divide Palestine into seperate Arab and Jewish states with Jerusalem and Nazareth remaining under British mandate along with a strip to the coast.

NAZIS DESTROY JEWISH STORES

All Windows Bearing White Letters Broken as Death of Envoy Is Avenged

BERLIN, Nov. 10 (Thursday) (AP).—wrecking gangs smashing shop windows took swift vengeance early today upon Berlin's Jewry for the killing of Ernst vom Rath, legation secretary in Paris, by a Polish Jew.

(The death of Vom Rath of wounds inflicted at the embassy there Monday was reported in Paris yesterday.)

Fire broke out in the biggest synagogue in Berlin, in the west part of the city, this morning.

Wrecking gangs smashed every shop window made conspicuous by white letters painted some months ago on police orders.

Systematically they proceeded up and down street after street. On the main thoroughfares there was not one shop window of Jewish owned business left intact.

As crashing glass fell, it scratched furniture or soiled linens, ties and shirts on display.

Heavy Sticks Used

One favorite method of demolition was for four members of a wrecking gang to proceed slowly in an automobile, each member armed with a heavy stick.

When the car halted before a white-lettered shop the four men would rush out, dig their sticks into the windows and run back to the car as the window panes came down with a terrific noise.

In some unguarded streets looting began almost immediately after the wrecking gangs had gone.

A newspaper correspondent attempting to telephone a story from a pay booth was interfered with by members of one gang who said, "You atrocity monger." He escaped, however, without a beating.

The synagogue at Hersfeld, a Prussian town, was burned to the ground today. The official German news agency termed it the result of a "spontaneous demonstration against Jewry caused by indignation" over the taking of Vom Rath's life.

An executive of German Jewry yesterday issued a statement expressing the horror of his people over the shooting of Vom Rath.

Assassin's Victim Dies

PARIS, Nov. 9 (AP).—Ernst vom Rath, secretary of the German embassy, died today of gunshot wounds inflicted by a young Polish Jew despite the efforts of two physicians sent by Reichsfuehrer Hitler to save his life.

60 Jews Commit Suicide As Nazis Burn, Loot Churches

BERLIN. — (A. P.) — Nazi Germany today indulged in its greatest wave of anti-Jewish violence since Adolf Hitler came to power in 1933.

As a national day of vengeance for the assassination of a German diplomat by a Jew in Paris wore on, reports from every section of the country told of the burning and dynamiting of synagogues and demolition and looting of Jewish shops.

Scattered reports showed that from fifty to sixty Jews had committed suicide.

The reports indicated that the campaign was conducted with a thoroughness and precision that left little to chance.

Only after more than twelve hours of nationwide violence did Propaganda Minister Paul Joseph Goebbels call a halt, in a brief appeal to the people to desist from further demonstrations.

But his appeal concluded with what responsible Jews feared might be a threat of a general order for all Jews to leave the country.

BERLIN. — (A. P.) — Mobs charged into a police guard in the heart of Berlin today and began plundering shattered Jewish shops while smoke still billowed from synagogues in various parts of the capital.

Violent demonstrators took revenge upon Jews for the slaying of a German diplomat in Paris by a Polish Jew who once lived in Germany.

Shop windows were smashed in several German centers. Synagogues were broken into. Fires raged in seven of the twenty Berlin synagogues, as well as in Munich and Dresden synagogues.

Crowds, angry and plunder-bent, pushed police aside in Friedrichstrasse, in downtown Berlin, and surged into the arcade between that important avenue and famed Unter Den Linden. The arcade houses many Jewish shops.

Vienna dispatches reported the total or partial destruction of all the twenty-one synagogues in the city. Vienna Jews said twenty-two of their number had committed suicide in despair. One synagogue in the Austrian capital was blown up, three others wrecked, while storm troopers compelled Jews to begin tearing down another.

In Berlin a mob had jammed Friedrichstrasse since rioting began early in the morning. Police were helpless against a looting crowd, angered by the killing of Ernst von Rath, secretary of the Paris Embassy, by Herschel Grynszpan. Von Rath, shot Monday, died yesterday.

Police said no extra officers were available to handle the Friedrichstrasse mob, as all had been sent to other trouble spots, especially to the burning synagogues.

Hourly new reports of destruction and violence came from different sections of Germany. Dozens of synagogues were reported raided, desecrated or burned in Cologne, Hamburg, Dresden and Vienna.

One of Berlin's newest synagogues on Prinz Regenten Strasse was still ablaze at 1:30 p.m. The cupola was burning, although the front still was standing.

Officials would not say whether they considered the fires incendiary.

RUSSIA MOVES ON 'WRECKERS'

Arrests Follow Charges of 'Holding Out' on Goods Meant for Public Sale

MOSCOW, Nov. 11 (AP).—Soviet justice again is beginning to bring to account alleged wreckers and incompetents, particularly those frustrating the worker's effort to get something for his money.

Five employes of Moscow's universal store No. 1 went on trial today accused of obstructing the distribution of goods to consumers.

They were charged with concealing suits, overcoats and other merchandise in a cellar—selling the goods to themselves or to friends while the purchasing public was told there was nothing to be had.

The soviet worker apparently is getting tired of running around with money in his pocket trying to buy a woolen suit which has not arrived or a cotton shirt which is not there.

Discussion of the situation in Russian newspapers indicates that the collective farms grow food enough for every one and that wool and cotton enough to clothe the population are produced in the Union of Soviet Socialist Republics.

Distribution Breakdown Revealed

Between producer and consumer, however, there are obstacles as the result of imperfect organization and alleged wrecking, both of which soviet officials are trying to erase.

The average worker in soviet Russia receives about 230 rubles (about $45) a month, but earning money is only half the battle. Spending it is what gives the worker his worst headaches.

Pravda, the official organ of the communist party, recently described an "intolerable situation" in Mostorg, Moscow's finest and largest department store. It declared the choicest goods regularly were being sought by employes of the store or sold to speculators before the public had a chance to see them.

On a shipment of 100 bicycles, for instance, Pravda said not one reached the general public. All were snapped up by Mostorg employes or by speculators who "knew the ropes" and bought one or two to sell outside at a profit.

No Suits to Be Found

The worker who spent 400 rubles for a suit in 1935 and 666 rubles for the same grade of clothes in 1937 could have gone from shop to shop without finding any suit at all last month.

Food, on the whole, is not nearly so much of a problem for the worker. But here, too, alleged mismanagement or deliberate wrecking in distribution organizations have created many difficulties of which inhabitants of Moscow and other cities complain.

Determined to correct the situation, the government relentlessly is weeding out suspected incompetents and wreckers.

JEWS IN AMERICA WARNED THEIR 'BEHAVIOR' AFFECTS NAZI TREATMENT OF RACE

THOUSANDS ARE SEIZED

Police Raids Upon Upper-Class Semites Follow Mobs' Destruction

BUSINESS SEEMS DOOMED

New Anti-Semitic Laws to Be Issued—Ghetto of Middle Ages May Be Revived

By the Associated Press.

BERLIN, Nov. 11.—Germany's sudden nation-wide outburst of anti-Semitism developed tonight into a series of secret police raids upon Jews of the upper classes amid reports that the ghetto of the Middle Ages was to be re-established in the modern nazi reich.

Official Germany pushed ahead its anti-Semitic program with a warning to Jews abroad, especially in the United States, that their "behavior" would affect future treatment of Jews in Germany.

Propaganda Minister Paul Joseph Goebbels, writing for tomorrow's Voelkischer Beobachter an article intended to justify the anti-Jewish actions, expressed annoyance at what he termed "misrepresentations and distortions" of happenings here, especially in the reports of "the Jewish press of North America."

"This will do no good to Jews in Germany," Goebbels wrote. "Rather the reverse. The German people are an anti-Semitic people, and will not tolerate having their rights curtailed or being provoked by the parasitic Jewish race.

"The anti-German outside world will do well to leave solution of the Jewish problem to Germans. If the outside world wants the Jews, it can have them."

First Official Attitude

The article constitutes the government's official attitude regarding the anti-Semitic reprisals, which began early yesterday with smashing of Jewish property and synagogues throughout the country in revenge for the slaying of a German legation secretary in Paris by a young Polish Jew.

Earlier in a press interview Goebbels said future treatment of Jews here "depends both on their behavior here and that of Jews abroad," he said:

"If Jews abroad have a heart for their co-religionists in Germany, let them be truthful in what they say about us. From their own standpoint I consider them unwise in writing so much about the Jews in Germany.

An undetermined number were arrested in tonight's secret police raids among the upper Jewish classes. Jews estimated between 700 and 1,000 had been taken into custody in Berlin since yesterday, while further arrests in Munich brought the total there to an estimated 1,400. Several thousands more were reported in custody in various other parts of Germany.

800 to Concentration Camp

A trainload of approximately 800 Jewish prisoners left Vienna tonight for an undisclosed destination.

Official information was lacking, but it was understood they were being transported to a German concentration camp, possibly Dachau or Buchenwalde.

This round-up centered on former big business men recently forced out of business, and upon bankers, lawyers and doctors. Police called at their homes and took those they found. Wives in some well-known families said their husbands, fearing arrest, had left yesterday for unknown havens.

HUNGARIANS SAY JEWS FORCED TO CEDED AREAS

BUDAPEST, Nov. 7 (AP).—Hungarian newspapers charged today that Czechoslovakia was forcing Jews into areas about to be occupied by Hungary, in violation of the Vienna agreement.

They demanded that Hungarian authorities move any deported Jews back into Slovakia. The Vienna agreement, signed Nov. 2 with Italy and Germany as arbitrators, arranged the cession of 4,875 square miles to Hungary.

PRAGUE, Nov. 7 (AP).—Official sources today denied reports that large numbers of Jews had been expelled from Bratislava.

STORM PALACE OF CHURCHMAN

Nazis Break All Windows in Home of Cardinal After Wagner Hits Catholics

MUNICH, Nov. 12 (AP).—Piles of paper were found dumped at the doors of the Catholic cathedral here tonight after a nazi attack on the palace of Michael Cardinal von Faulhaber, archbishop of Munich.

The discovery aroused fears among Catholics of a possible plan to set fire to the edifice. The cardinal's office made a strong protest to police, who placed a patrol about the building.

MUNICH, Nov. 12 (AP).—Excited crowds stormed the palace of Michael Cardinal von Faulhaber today and broke all windows in the building.

The attack followed an address last night before 5,000 persons by Adolf Wagner, nazi district leader for Bavaria and Bavarian minister of the interior, in which he read a letter from the cardinal asking police protection in case popular passions should result in attacks on Catholic clergy in the present tense situation.

"If Von Faulhaber mends his ways he will be protected better than the police can," Wagner shouted.

Catholics Denounced

The march on the palace started in early morning. The crowd had retired to beer halls after hearing Wagner denounce "Roman Catholic allies of Jews."

Wagner added he was offering no excuse for anti-Jewish violence that burst out Thursday.

Nazis Assess $400,000,000 Fine Against Jews; Deprive Them of All Civil Rights

1,600 Arrested In Greatest Nazi Purge

BERLIN.—(A. P.)—Jews were assessed today 1,000,000,000 marks —$400,000,000—as a penalty for the murder of Ernst vom Rath, German diplomat in Paris, it was announced officially.

Field Marshal Hermann Wilhelm Goering, as director of Germany's four-year plan, issued a decree, effective next January 1, prohibiting Jews from conducting retail businesses, mail order and commission houses and independent handicraft enterprises.

Goering's decree further banned Jews from heading any industrial or commercial concern by forbidding them to hold the position of "betriebsfuehrer," which every factor or similar undertaking must have under the national labor law.

At the same time, semiofficial sources said that 1,600 Jews had been arrested in Berlin alone.

These sources said it was impossible to estimate how many other Jews had been seized in the rest of Germany since the killing of Vom Rath, secretary of the German embassy in Paris, which incited nationwide burnings of synagogues and destruction of Jewish stores Thursday.

Another decree, issued by Propadanda Minister Paul Joseph Goebbels, ordered Jews excluded from theaters, movie houses, concerts and other public presentations.

These far-reaching measures toward isolating Jews from German national life were issued after a meeting of Goering, Goebbels, Interior Minister Dr. Wilhelm Frick, Justice Minister Dr. Franz Guertner, Economics Minister Walther Funk and Finance Minister Lutz Schwerin-Krosigk.

Nazis Assault Catholic Prelate's Home

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CITED HITLER SPEECH

Only last Sunday the 69-year-old cardinal, the Archbishop of Munich, used a passage from a speech by Adolf Hitler to support a plea for "the God-given rights of personality." He recalled that Hitler said Germany's greatest assets were her creative personalities. The sermon was greeted by whistling by Nazi listeners.

Crowds today descended upon the Archbishop's palace with bricks and sticks and shattered glass on the first and second floors.

No word was forthcoming from the interior of the imposing palace.

The demonstration recalled the one made October 8 on the palace in Vienna of Theodore Cardinal Innitzer, Archbishop of Vienna. On that occasion furniture was thrown from the building to the streets an dthe Cardinal was hurt by stones thrown inside.

ATTACKED FAITH

At the mass meeting last night Wagner attacked Catholics, to whom he referred as "Roman Catholic allies of Jews."

(Cardinal Von Faulhaber, outstanding among German Catholic leaders, has often been at odds with Nazis. As early as Aug. 21, 1934, he denounced Nazi opposi-

Weeping Jews Besiege U. S. Consulate

BERLIN.— (A. P.) —The American consulate was a pathetic sight today as hundreds of Jews, many in tears, milled around begging for preferred treatment on their visa applications.

Many were women who when questoined said their husbands had been arrested in the anti-Jewish campaign of the past two days. Often they broke down in the midst of their story.

Consular officials said that on Thursday—the day the Nazis smashed windows and burned synagogues—was usually quiet at the consulate, because Jews then did not even venture into the streets. Friday the consulate was closed on account of Armistice Day, and today the visa seekers came in throngs.

But there were not only visa seekers. Consular officials had a definite impression that many of those standing in line patiently hour after hour merely wanted to be under an extraterritorial roof to prevent arrest.

Somehow they appeared to feel sheltered, even though but for a few hours, under the protection of the American flag.

Consular officials made their deductions from the fact that when such persons finally had their turn their questions were vague, indicating they had no definite plans for emigration. Applicants usually have the local Jewish relief committee give them all the preliminary information.

The consular officials, like other foreign observers, expressed the belief that the present anti-Jewish campaign was being aimed at the best exponents of the Jewish race in Germany—the elite, so to speak.

The raids also appeared to be directed only at men.

America And Allies Protest 'Closed Door'

LONDON. — (U. P.)—A reliable source said today that the United States, Great Britain and France had made parallel protests to Japan against restrictions imposed on shipping of the three nations in the Yangtze River in China.

The British protest, it was said, was strongly worded, and pointed out that an increasing number of Japanese merchant ships were going up and down stream, though British navigation was impeded.

The note also said Japan had frequently promised to open the Yangtze to navigation when Hankow fell, but the promise was not kept. The note did not mention the nine-power treaty.

The United States and French protests were understood to be worded similarly. It was also understood that consultations occurred between the United States, British and French embassies in Tokyo before the protests were made and that similar three-power consultations would continue.

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(Cardinal Von Faulhaber, outstanding among German Catholic leaders, has often been at odds with Nazis. As early as Aug. 21, 1934, he denounced Nazi opposition to Jews. Soon afterward he expressed dissatisfaction with the Nazi handling of the church situation. He banned marriages between Catholics and the so-called Nazi neo-pagans. He challenged Nazi attempts to curb Catholic rights. In February, 1935, an audience in Munich shouted "Hang him," but in a subsequent pastoral letter he exhorted Catholics to stand fast in their faith.

(He deplored what he called the alienation of German youth from the church, pleaded with the Nazis for an evidence of good will, was jeered when he expressed hope, in February, 1937, that the German Government would live up to its accord with the holy see. Early this year he danounced Nazis, insisted Catholics were being persecuted and was assailed for his stand by Wagner.)

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GERMAN JEWS FINED $400,000,000, BARRED FROM ALL BUSINESS

DECREES HARSHEST YET

Insurance Payments Due on Wrecked Property to Be Paid to State

THOUSANDS MORE SEIZED

Levy for Death of Vom Rath Represents One-Fourth of Jewish Wealth in Reich

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Nov. 12.—Nazi Germany today practically wiped out Jewish business, barred the nation's 500,000 Jews from public entertainments and fined them $400,000,000 for the slaying of a German diplomat by a young Polish-German Jew in Paris.

In addition, the government required that Jews whose 1,000 Berlin shops were wrecked or looted Thursday in mass demonstrations must pay for the damage themselves. Insurance claims by Jews for demolition of their properties must be paid to the state.

Officials promised "further decisive measures," and Jews feared that the ghetto, unemployment or concentration camps were in store for them as the result of the most violent government and private anti-Semitic actions nazi Germany yet has seen.

Nearly 20,000 Arrested

Police made wholesale arrests among Jewish moneyed, educated and cultured classes, 1,600 being taken into custody in Berlin alone. In Vienna it was estimated that between 18,000 and 20,000 Jews had been arrested since Thursday. Many of them were released, but thousands still were in custody.

While the anti-Semitic campaign was intensified, there were new manifestations against Catholics. Aroused nazis at Munich shattered many windows in the palace of Michael Cardinal von Faulhaber at Munich.

The fine of 1,000,000,000 marks ($400,000,000) against German Jews "in their entirety" for the slaying of Ernst von Rath, secretary to the German embassy at Paris, represents from one-fourth to one-fifth of the estimated Jewish wealth in Germany, excluding Austria and Sudetenland, before Thursday's outbreaks.

When and how the fine would be collected was not announced, but since Jewish business must be given up, it was assumed part of the sum would come from this source.

Anti-Jewish Terror Rocks British Hope for Nazi Pact

Cabinet Minister Asserts Nation May Be Forced to Fight for Own Existence—Public Bitter at German Return to "Middle Ages"

By the Associated Press.

LONDON, Nov. 12.—Public indignation over Germany's new onslaught against Jews has quickened Britain's drive for rearmament and pushed Prime Minister Chamberlain's appeasement goal still further away.

Amid widespread condemnation of the nazi campaign came evidence from one of the premier's own ministers that it had shaken the faith of at least part of his cabinet in his efforts to obtain a lasting friendship with Reichschancellor Hitler.

Addressing a regional meeting of the national labor council today, Earl De La Warr, in the cabinet as president of the board of education, said that instead of encouraging hopes for appeasement, "events on the continent during the last few days have served to add certainty to the conviction that we live in a world in which those who desire to defend the decencies of life must be strong both in arms and in moral purpose."

De La Warr asserted Britain faced the possibility of a fight "for her very existence," and that "that struggle may be resolved in terms of diplomacy or in terms of war."

"We hope it will be the former," he said, "but the challenge goes even deeper than the power of politics. It forces onto the defensive the whole of the ideas on which civilization has built itself up over centuries since the days of the foundation of Christianity."

"Appeasement and strength," he said, "are the twin foundations of the national government's policy." Then he added significantly:

"If we emphasize the second at the moment it is only because without strength the policy of appeasement becomes merely a more pleasing name for what must be in fact a policy of surrender."

High churchmen, from the Archbishop of Canterbury down, deplored the treatmen of Jews and its effect on Britain's offer of friendship to Germany.

The archbishop in a letter to the Times asserted:

"Would that the rulers of the reich could realize that such excesses of hatred and malice put upon the friendship which we are ready to offer them an almost intolerable strain."

From one end of the country to the other came attacks on Germany.

Mrs. Walter Elliott, wife of the British minister of health, herself active in politics until her marriage in 1934, said at a London reception:

"It is impossible to read of happenings of the last three or four days in central Europe without feeling we must be back in the Middle Ages.

"It is appalling, frightening, terrifying that the whole spiritual thought of the world should be subjected to this doctrine of force."

Jewish Wealth in Reich

BY LOUIS P. LOCHNER,
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Barred From Public Places

Decrees against Jews issued today:

First—Prohibited Jews from conducting retail businesses, mail order and commission houses and independent handicraft enterprises after Jan. 1.

Second—Barred Jews from heading any industrial or commercial concern.

Third—Ordered Jews excluded from theaters, movie houses, concerts and other public presentations.

Hermann Wilhelm Goering, director of Germany's four-year plan for economic self-sufficiency, issued the decree providing the $400,000,000 fine.

"Jewry's hostile attitude toward the German people and the reich, which does not stop at cowardly assassinations, requires decisive measures and a severe penalty," the decree said.

"I, therefore, decree on the basis of the four-year plan regulations of Oct. 18, 1936, the following:

"First—Upon Jews of German nationality in their entirety is imposed a payment of 1,000,000,000 reichsmarks.

"Second—Carrying out of the order is left to the finance ministry in consultation with other ministers concerned."

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FRANCE GIVEN 'LAST CHANCE' AT DEMOCRACY

Premier Says Decrees to Save Nation Strongest Possible by Traditional Methods

By the Associated Press.

PARIS, Nov. 12.—The Daladier government, backed by the demand of 7,000,000 World war veterans for a strong government, tonight issued thirty-two decree laws to rebuild France within her democratic framework.

Premier Daladier declared they were the strongest measures that could be drawn without violating "traditional" principles of the French government. Some members of the chamber of deputies called them the last chance to avert collapse of the democracy.

Among the laws decreed two days before expiration of semidictatorial decree powers granted by parliament was a measure revaluing the gold reserve of the Bank of France at the rate of 170 francs to the pound sterling, or 37.69 to the dollar.

Forty-Hour Week Unchanged

Decrees drawn by the labor ministry did not officially change "the principle" of the forty-hour week, but said there would be "certain modifications" of the forty-hour week law for a period of three years.

The principle of the five-day week, however, was junked in favor of either six days or five and one-half days with forty hours staggered on the extended basis.

Direct taxes were increased. Taxes on production were raised from 8 to 9 per cent. New indirect taxes were imposed on coffee, gasoline, tobacco and face powder. The basic salary tax, a direct levy, was increased from 7.56 to 8 per cent.

Semiofficial estimates said the new taxes would bring in an additional 7,[illegible]0,000,000 francs ($185,531,000).

Finance Minister Paul Reynaud, outlining the new laws in a radio broadcast, warned Frenchmen they faced financial and economic collapse unless they accepted the new sacrifices and worked hard.

He reminded Frenchmen of the collapse of the German mark after the World war.

His speech was in a vein similar to those earlier in the day by Premier Daladier and President Albert Lebrun.

After three separate cabinet meetings at Elysee Palace, lasting five hours and twenty minutes, Albert Sarraut, minister of interior, emerged tonight and announced the decrees had been approved.

Vatican to Protest Italian Decree Banning Jewish-Aryan Marriages

By the Associated Press.

ROME, Nov. 10.—A Vatican news service said tonight the holy see would protest a marriage restriction decreed today by the Italian cabinet to further the new fascist policy of Aryanism.

The service said the restriction would be protested as "a violation of the concordat"—the accord between the Italian government and the Vatican.

The Vatican objected, this source said, to Article 1 of the new law prohibiting "marriage of an Italian citizen of the Aryan race with a person belonging to another race." The law says a marriage "in violation of this prohibition is null."

At the time the fascist grand council adopted the marriage policy enacted into law today, Vatican circles expressed concern because the measures foreshadowed by this policy appeared to them to conflict with the church's right to perform marriages.

Fascists have insisted that the government's racial policy is political and not religious.

Although Pope Pius himself and L'Osservatore Romano, Vatican City newspaper, have been engaged in open discussion with fascist spokesmen over the new policy, the statement by the news service was the first indication that the Vatican had been stirred to the point of a formal protest.

Italian sources said the decree appeared after collapse of formal and informal Vatican efforts to avert it.

They said Monsignor Francesco Borgongini Duca, papal nuncio to the Italian government, had made futile approaches to Foreign Minister Count Galeazzo Ciano.

Today's decree laws restricted occupations and property ownership of Italy's 57,425 Jews, aside from the marriage prohibition.

The property restrictions were expected particularly to affect the holdings of insurance companies with which Jews have been prominently associated. The decrees prohibit Jewish ownership of urban buildings of taxable value exceeding 20,000 lire ($1,052).

TURKISH RULER DIES

KAMAL ATATURK

ATATURK DEAD; RULED 15 YEARS

Gen. Inonu May Succeed Man Who Modernized Decadent Empire of the Sultans

ISTANBUL, Nov. 10 (AP).—Kamal Ataturk, who built and ruled modern Turkey with a clenched fist, died today at the age of 58.

There were unconfirmed reports that the Turkish president whom parliament named Ataturk—"father of the Turks" had left a political testament to guide his successor in his own rigid doctrine of westernization and nationalism.

No one expected Turkey's new leadership to turn in the immediate future from the domestic and foreign balance which Ataturk achieved for this nation, strategically situated between the east and the west.

Before Ataturk became gravely ill in mid-October he was borrowing money for Turkey with little discrimination from both Britain and Germany, although his early struggle for power was tinged with bitter hatred for the influence of both.

Britain, Germany Concerned

The British and German foreign offices were known to have keen interest in his successor and the future course of Turkey.

The president of the national assembly, Abdul Halik Renda, assumed the interim presidency upon the passing of the ashen-faced "gray wolf." A government proclamation announced convocation of the assembly to elect a new chief executive, probably tomorrow.

Gen. Ismet Inonu, known as the "military bookkeeper," premier for thirteen of the fifteen years that Ataturk headed the state, was the most likely choice. A parliamentary group of the majority party decided to support Inonu, apparently assuring his election.

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Ataturk once said of Inonu, "He is my conscience—he is always on the alert and finds out what is wrong and criticizes me."

Day and night eight physicians had helped Ataturk fight his illness in the great alabaster palace of Dolma Bagtche, on the Bosphorus, from which Ataturk had ejected the last sultan of the old Ottoman empire.

But the rugged spirit of this man who had always lived as he liked—hard and fast—failed him in the second crisis of two months. He died after twelve hours of coma at 9:05 a.m. (1:05 a.m., central standard time), of cirrhosis of the liver.

VENGEFUL NAZIS WRECK, PLUNDER JEWS' PROPERTY

VIOLENCE SWEEPS REICH

Vom Rath's Death Starts Nation's Worst Wave of Anti-Semitism

MOBS BURN SYNAGOGUES

Stores Destroyed and Looted as Goebbels Promises New Anti-Jewish Decrees

BY LOUIS P. LOCHNER,
Associated Press Staff Writer.

BERLIN, Nov. 10.—The greatest wave of anti-Jewish violence since Adolf Hitler came to power in 1933 swept nazi Germany today and Jews were threatened with new official measures against them.

Millions of dollars worth of Jewish property was destroyed by angry crowds. Jewish stores were looted. Synagogues were burned, dynamited or damaged in a dozen cities.

Propaganda Minister Paul Joseph Goebbels, calling for a halt in the demonstrations, declared that "the final answer to Jewry will be given in the form of laws or decrees."

It was a nation-wide day of vengeance for the death yesterday of Ernst vom Rath, secretary of the German embassy in Paris, who was shot Monday by a 17-year-old Jew, Herschel Grynszpan.

Shops Smashed, Looted

Bands of youths roved the streets of Berlin and other cities from early morning on, smashing windows of Jewish shops. In many places crowds which gathered after daybreak pushed into the establishments and came out with loot. Most of Berlin's 1,000 Jewish stores were plundered.

At the height of the demonstration few police were seen. One detachment of police in the heart of Berlin was charged by a mob which pushed them aside and began plundering.

After more than twelve hours of violence Goebbels appealed to the people to refrain from further demonstrations.

The appeal was issued at 4 p.m., but at first apparently had no effect in the west end of Berlin. Three hours later it was repeated by radio. Then police appeared on Koenigstrasse, where a number of Jewish shops are situated, arrested twenty-one looters and cleared the street.

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German Press Denounces U.S. Bitterly

More Jews Arrested as American Ambassador Called Home to 'Report.'

(Compiled From Associated Press and United Press Cable Dispatches.)

Fifty thousand Jews have been arrested throughout Germany in the last few days, reliable sources estimated today. Of that number, 7,000 to 8,000 were estimated to have been seized in Berlin.

Many of those arrested are influential or wealthy Jews held as hostages.

As Hugo Wilson, United States Ambassador, prepared to leave Berlin for Paris tomorrow night on his way to Washington, the German press sternly warned America that agitation against Naziism would be reflected in further ill treatment of Jews here.

The newspaper Schwarze Korps, organ of the elite S. S. Guards, declared that "We shall use Jewish hostages systematically no matter how shocking some people may find it." The paper went on to declare that using the Jewish principle of "an eye for an eye and a tooth for a tooth," the Nazis will take a thousand eyes and a thousand teeth for every German eye or tooth.

Ghetto-like measures were being formulated in Nazi Government bureaus. Panic-stricken Jews besieged the American and other foreign consulates.

LONDON. — (U. P.) — The United States, Great Britain and France asked Germany two weeks ago to discuss orderly emigration of potential refugees, including Jews, it was revealed today, but Germany so far has not replied.

Although the German press previously had suppressed all news of the indignation abroad, the afternoon newspaper Zwolfuhrblatt took cognizance of it today in an attack on "Washington."

"Apostles of humanitarianism and the purposeful politicians of Washington — how could they be otherwise—are panic - stricken over the clean division of Germans and Jews effected in Germany," the newspaper said.

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"The justifiable and understandable indignation of the German people over the cowardly murder of a German diplomat in Paris has resulted during the past night in extensive demonstrations," Goebbels' appeal said.

"In numerous cities and communities of the reich, acts of violence were committed against Jewish buildings and businesses."

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"They hammer and curse with such effect that it soon might be too much for us. This Washington should let itself be told! Or has one failed correctly to understand Dr. Goebbels' words that any new campaign will be a bad service to the Jews of Germany?

"If so, then it should be repeated as a warning which should not be taken lightly, because it is meant damn (sic) seriously," Zwolfuhrblatt said.

New suicides were reported as Jews tried to raise nearly $500,000,000 to pay a fine levied on Jews as a whole and repair damage done to Jewish property by rioters.

ANOTHER MOTIVE

Behind the announced Nazi motive for the drive—the killing of a minor German official of the embassy in Paris—some financial circles saw an acute Nazi economic situation as the real cause.

Germany faces a huge and rapidly mounting deficit, it was said. New funds were needed for Field Marshal Hermann Wilhelm Goering's four-year plan of economic self-sufficiency.

The Reich already had floated this year more than 6,000,000,000 marks ($2,400,000,000) in new loans and it seemed impossible to arrange additional loans to finance public works under the four-year plan.

Although the fine on Jews would not solve the Reich financial problem, it would reduce the deficit and alleviate the financial situation for a few months .

TWO DIPLOMATIC BLOWS

Secretary of State Cordell Hull had delivered two diplomatic blows to Germany by ordering American Ambassador Wilson home from Berlin for "report and consultation."

Observers who have watched Hull's steadily mounting dislike of the German government because of its foreign and domestic policies believed that behind his move were two major objectives:

1. An expression of displeasure by this Government, which the German government could not fail to understand, regarding its policies, particularly those relating to Jews and other political, racial and religious minorities.

2. Strengthening the State Department staff during the all-important Pan-American conference at Lima, Peru, next month, at which every effort will be made by United States delegates to strengthen the mu-

See JEWS, page 16.

More About Jews

(Continued from Page 1)

tually defensive bonds of the American nations. Both Hull and Assistant Secretary of State Adolf Berle are scheduled to attend, leaving the State Department critically short-handed of top-ranking policy-making officials.

It was believed that Wilson's presence in the State Department, at this critical time, would give strength to this Government's position in deciding matters affecting foreign policy. A veteran of the diplomatic service, Wilson is regarded as more intimately familiar with German plans, policies and methods than any other American diplomat. It is believed that he can advise President Roosevelt and Undersecretary of State Sumner Welles, who will be acting secretary during Hull's absence, expertly upon the influence which moves at Lima probably will have upon American relations with Europe, particularly with Germany.

State Department officials denied that Wilson's recall for consultation and report was the first step toward severance of diplomatic relations with Germany. There was no indication, however, of the probable length of his stay, or whether he might not return to Germany at all.

FRENCH-NAZI ACCORD

Meanwhile, a French government spokesman announced that a basis had been reached for an accord between France and Germany, renouncing war against each other and hinted that it would not be long before it came into force.

This was the first official confirmation that conversations which have been going on since shortly after the Munich accord of September 29 have brought their objective — the renunciation-of-war agreement—within sight.

But France will refuse to cede any of her colonies to Germany if the proposal is made in discussions to satisfy the claims of Adolf Hitler, Foreign Minister Georges Bonnet announced.

Bonnet made the announcement after a conference with Premier Edouard Daladier on the forthcoming visit to Paris late this month of Prime Minister Neville Chamberlain of Great Britain. The announcement implied that the British and French leaders may discuss the question of colonies during Chamberlain's visit.

BRITISH DISSENSION

In London increasing signs of dissent within Premier Chamberlain's own conservative party arose in the path of the Premier's plans for an understanding with Germany, its chances already weakened by English resentment at the Nazi anti-Jewish pogrom.

Fordham University, denounced the persecutions in a nationwide radio broadcast last night. They called the oppression "crimes against civilization."

The National Conference of Jews and Christians called a mass meeting at the White Plains (N. J.) High School tonight to discuss the Nazi persecutions.

The joint boycott committee of the American Jewish Congress called for a special boycott on German goods for the week of November 27-December 4.

The National Dress Manufacturers' Association urged its members to donate clothing for resale, the proceeds to go to Jewish relief organizations.

Representative Vito Marcantonio, president of the International Labor Defense, asked his 300,000 followers to join other groups in urging the United States Government to protest to Germany.

Two groups of pro-government members of Parliament laid down strong declarations on two major issues—colonies and rearmament.

One group entered a motion asking the House of Commons to affirm that "no agreement should be made under which any British colonies or mandated territories would be transferred to Germany without the consent of the people of Great Britain."

A second group of thirty-four, sympathetic to former Foreign Secretary Anthony Eden, who opposes the Chamberlain appeasement-of-dictators program, demanded rearmament "on a scale commensurate with present requirements."

They also urged a "united national policy," which could be a step toward an anti-Chamberlain party under Eden. Eden urged an all-party government in a speech at Oxford last night.

AMERICAN PROTESTS

In New York, mass meetings, boycotts and relief funds were being organized to protest the anti-Semitic campaign in Germany and to aid its victims.

Former President Herbert Hoover, Alfred M. Landon, Secretary of Interior Harold L. Ickes, Senator William H. King of Utah, Bishop Edwin H. Hughes of the Methodist Episcopal Church and the Rev. Robert I. Gannon, president of

and has chartered 613 local

Britain Angry At Ge
'Slurs' and Brutality
Halts Talks With H

VATICAN, DUCE IN NEW BREACH

Pope's Protest to Mussolini and King Against Marriage Decree Is Announced

VATICAN CITY, Nov. 14 (AP).—Fascist Italy's prohibition of marriages between "Aryan" and "non-Aryan" Italians has opened a fresh breach between the Vatican and the Italian government.

A protest of the church against the new marriage law as a violation of the 1929 concordat was announced today along with disclosure that Pope Pius himself had appealed personally to both Premier Mussolini and King Vittorio Emanuele in an effort, which proved futile, to forestall the legislation.

L'Osservatore Romano, Vatican City newspaper, in reporting the holy see's view, spoke of the new marriage decree both as "wounding" the agreement between the church and the Italian government and as "breaking" it.

The newspaper expressed the hope, however, that the new friction "over a question of principle on a matter of vital importance" could be healed by agreement.

"The august person of the holy father himself," said the newspaper, "intervened directly with two paternal, hand-written letters—one directly to the chief of government and the other to the king-emperor.

"Notwithstanding that, new legislative dispositions have come out without agreement with the holy see, which, it is understood, with keen regret feels it a duty to express its protest as we know it already has done."

L'Osservatore indicated the Italian government might be able to patch up the differences by providing for exceptions to the marriage ban. It pointed out that in its "general and absolute prohibition" of marriage in the case of "Aryans" and "non-Aryans" the law violated canon law.

The newspaper said there had been only about ten such marriages a year in Italy, and that the church usually sought to discourage mixed marriages.

The concordat provides that church marriages shall be recognized by civil authorities, whereas the new Italian decree prohibits civil authorities from registering marriages between "Aryans" and "non-Aryans" and declares such marriages null.

Germans Hint Britons Linked In Assassination

LONDON.—(U. P.)—Negotiations between Great Britain and Germany, which Prime Minister Neville Chamberlain hoped would bring a lasting European peace, have been postponed indefinitely, it was reported reliably today.

The postponement was caused by the severe Nazi campaign against Jews and Adolf Hitler's personal attacks on leaders of British public life, including several prominent members of Parliament.

Public opinion was high especially because the new anti-Jewish campaign came after the four-power "appeasement" conference at Munich which decided the fate of Czechoslovakia.

Personal attacks against such men as Winston Churchill, a power in the Conservative party; Anthony Eden, former secretary of foreign affairs; Alfred Duff Cooper, former first lord of the admiralty, annd others, could not be overlooked to permit new negotiations between the two nations, it was said.

STILL DETERMINED

Chamberlain was reported reliably, however, still to be determined to negotiate with Hitler. He realized that immediate discussions were impossible because of high British indignation with Germany as well as Hitler's apparent irritation with Britain, often manifested in his recent speeches.

Despite unofficial protests on all sides, it was understood that the government would not intervene openly in the German anti-Jewish campaign.

The government was expected to maintain a firm stand with regards to the interests of British Jews in Germany, however. It also was expected to protest the article in the German newspaper, Der Angriff, alleging that Churchill, Eden and Duff Cooper helped instigate the assassination of Ernst von Rath, secretary of the German embassy in Paris, by a Polish Jew. This protest may be made "privately" to spare "German pride," it was said.

Jews Expelled From German Public Schools

BERLIN.—(A. P.)—Minister of Education Bernard Rust expelled Jewish students today from all universities, technical schools and other institutions of higher learning in the latest move toward separation of Jews and Germans.

The minister of education telegraphed the rectors of all universities ordering them to oust Jewish students immediately and not to permit any more to enter, even for lectures which do not involve examination for degrees.

He said a degree embodying that order was being prepared and would be issued soon.

This means final elimination of Jews of all ages from the German school system. Lower grade pupils from 6 to 14 years old were taken from German schools in 1936 and put into Jewish private schools. Jewish professors had previously been ousted.

Since 1935 admittance to higher institutions had been on a quota based on the population of Jews in the various university districts. Also Jews already enrolled had been permitted to continue their studies.

Now these students are thrown out with no prospects of completing their education, since no purely Jewish universities exist in Germany.

Rust's order follows Saturday's decrees by Field Marshal Hermann Wilhelm Goering and Propaganda Minister Paul Joseph Goebbels eliminating Jews from the nation's economic life, forbidding them to attend theaters and other public entertainments, and placing heavy fines on their wealth.

Britain Angry At German 'Slurs' and Brutality; Halts Talks With Hitler

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How to Raise $400,000,000?

BERLIN.— (LP) —Leaders of 700,000 German Jews sought frantically today to appease increasing Nazi demands.

Faced with the appalling task of raising a $400,000,000 fine imposed by the Government, a group of prominent Jews conferred in Berlin throughout the night. Each one contributed to a fund to help Jewish shopkeepers repair the damage inflicted in Thursday's rioting.

The Government began carrying out new social restrictions on Jews today. The minister of education ordered universities to refuse Jews admission to lectures. A decree Saturday had closed theaters, movies, museums, dance recitals and lectures to Jews.

Fines and decrees which scattered new refugees beyond the German border sent others to concentration camps and promised to impoverish all Jews were not at an end, they learned.

"Jewish business will be transferred shortly into German hands," Paul Joseph Goebbels, propaganda minister, announced at a Winter relief demonstration yesterday.

NEW TAX LEVIED ON JEWS AS FRANTIC LEADERS SEEK WAY OF PAYING HUGE FINE

RAIDS BELIEVED AT END

Rich Members of Outcast Race Taxed to Repair Wrecked Property

HOLDINGS MUST BE SOLD

Assessment for Slaying to Be About $666 Each—Ghetto Looms as a New Fear

By the Associated Press.

BERLIN, Nov. 13.—Assessments up to 150,000 marks—$60,000—were levied on individual wealthy Berlin Jews today to repair the damage done last week by Aryan window smashers and store wreckers seeking revenge for the fatal shooting of a German diplomat.

Those assessed were told the assessments did not exempt them from from also contributing to the 1,000,000,000-mark ($400,000,000) penalty decreed on German Jews yesterday for the murder of Ernst vom Rath, the Paris embassy secretary.

One person who was summoned to the meeting at which assessments were presented estimated the number of Jews convoked by the president of the Jewish community "on government orders" at about 100.

Those wealthy members of the Jewish community received special delivery letters summoning them to a meeting in the Jewish brotherhood house on Kurfuerstenstrasse late this morning.

The summonses were signed by President Stahl, who stated he was acting on government instructions.

New Tax Payable Monday

When those called assembled they were each given slips informing them of their assessments, payable Monday.

Specific cases were those of a widow assessed 50,000 marks ($20,000) and of a rich manufacturer whose quota was 150,000 marks.

A session of 160 Jewish leaders continued all last night as frantic efforts were made to devise a plan for payment of the $400,000,000 fine imposed by the government for the slaying.

A spokesman for the group said they wanted to suggest a plan of their own before the government decided how the levy is to be paid.

Jews expected the finance ministry, which is charged with exacting the penalty decreed yesterday, would announce its plan for collection some time this week.

Nazi Orators Are Proud

Meanwhile, nazi party orators presiding at Sunday's "one pot" community dinners for the benefit of the winter relief fund praised the government's drastic fine.

Propaganda Minister Paul Joseph Goebbels declared, "The Jewish problem will be solved very shortly in a manner satisfactory to the nation's sense of what is right and just."

Robert Ley, leader of the labor front, boasted at Koblenz: "Our methods may be rough, but they are thorough."

Whether the Jewish leaders reached a decision in their all-night council was not disclosed. The spokesman would give no indication, nor would he say where the meeting was held.

NAZIS DISTURB CHURCH AFFAIR

Rowdies Jeer and Whistle as 5,000 Worshipers Intone Hymn at Observance

MUNICH, Nov. 13 (AP).—Anti-Catholic feelings flared again today when a handful of rowdies whistled and jeered as 5,000 worshipers intoned a hymn in St. Mary's square.

The disturbers then knocked down lighted candles and trampled floral decorations arranged for the occasion.

A few minutes after the disturbance started a flying squad of police cleared the square, by then completely occupied by the anti-Catholics.

While police watched, a youth not in uniform climbed the pedestal of the historic column, "Mariensaeule," erected in the square in honor of the Virgin Mary, and systematically tore down the remaining decorations.

Police Do Not Interfere

Indignant shouts went up from onlookers, but police did not interfere and departed after he had finished his job.

Catholics had assembled in the square for the tercentenary celebration of erection of the column.

The first part of the observance, a special service at St. Peter's cathedral, was without incident.

Michael Cardinal von Faulhaber did not officiate, but it was understood he was avoiding public appearances in view of yesterday's window-smashing at his palace when an excited crowd threw stones.

When the churchgoers joined the crowd in the square the disturbance followed.

Yesterday's attack followed an address by Adolf Wagner, Bavarian nazi leader, who denounced "Roman Catholic allies of Jews."

The cardinal last Sunday urged his congregation to uphold personal rights, which he charged nazis with violating.

Nazis Move to Drive Jews From Homes

Another U. S. Diplomat in Berlin Called Home; Colony Plan Pushed.

(Compiled From Associated Press and United Press Cable Dispatches.)

In the face of almost worldwide condemnation, German Nazis today continued their anti-Jewish campaign.

An official move to drive Jews from their homes was announced by Der Angriff, newspaper of Dr. Paul Joseph Goebbels, German propaganda minister.

The announcement said:

"The Government is preparing a decree canceling for Jew tenants the protective law, together with its provisions that notice is required in order to oust tenants.

"It is officially estimated that 8,000 homes in Berlin alone will be vacated because Jews in the future will be unable to afford the expenses of the homes. Large de luxe apartments probably will be partitioned among Germans."

Provisions of the decree were expected to be issued shortly.

Almost at the same time Douglas Miller, commercial attache of the United States Embassy in Berlin, was called to Washington less than twenty-four hours after the departure of Ambassador Hugh R. Wilson. Miller was directed to report in Washington not later than January 1.

The calling home of Miller was regarded by the American colony in Berlin as a significant indication that the United States Department of Commerce had lost interest in Germany for the present.

Miller has been in Germany for years. He was recognized as one of the leading authorities in the Reich on the economic, financial and trade structure.

GREAT EMIGRATION

Meanwhile Great Britain and the United States neared agreement on a plan to ransom German Jews and resettle them in what would be the most prodigious mass emigration in history.

The plan, initiated by the American ambassador to England, Joseph Kennedy and which would cost approximately $150,000,000, was expected to be submitted to a five-power directorate of the Intergovernmental Jew Committee.

It was also reported that the British had offered to relinquish the annual quota of British immigrants to the United States, if the United States would add it to the German and Austrian quotas. Kennedy replied that the immigration laws could be changed only by Congress.

In Dusseldorf, Germany, Fuehrer Adolf Hitler, high party officials and tens of thousands of rank and file Nazis paid final tribute to the slain Ernst vom Rath, whose death unleashed last week's anti-Semitic rioting.

I nthe huge Rheinhalle Planetarium, where Vom Rath's body lay in state, Hitler sat beside the bier. He did not speak, but a funeral oration was delivered by Ernst Bohle, district leader, in behalf of the Nazi party.

"The entire nation again is deeply embittered standing in mourning at the bier of this young German, who lost his life only because he was German and hence National Socialist," Bohle said.

"He is the eighth victim among Germans abroad to be murdered by Jews and Bolshevists. Gustloff, Vom Rath and the Germans murdered in Red Spain accuse that Jew Bolshevist system which uses murder as a political weapon.

"The Jew who killed Rath said he wanted to hit Germany. We may admit he succeeded. Jews forget that every blow makes National Socialism stronger.

"Rath's memory will remind all Germans abroad that every German abroad, whatever his vocation, is in the first place a National Socialist. This national union is the greatest value, you, my Fuehrer, gave us."

Thousands lined the streets between the railway station where Hitler had arrived from Berlin and the hall, as he rode slowly between lines of storm troopers. Entering the hall, Hitler stood silently for a moment before the catafalque. He saluted, then took a seat.

Bohle was followed by Joachim von Ribbentrop, foreign minister, who said:

"A hostile world believes that by blind hatred it will be able to hold up the evolution of a new idea. Lies, slander, blood and terrorism are instruments of international Jewry and other destructive elements.

"The latest victim was murdered by a cowardly paid assassin.

"Dear comrade! You from year to year witnessed Germany's rise under the Fuehrer. This is more than most humans obtain from Providence. You may sleep in peace. The old world is sinking.

"No terror, no hatred will again be able to enslave Germany. A nation will never perish whose sons are ready to give their lives for it. Great nations had martyrs. They are nowhere as numerous as in Germany.

"Any new wave of hatred in the world and any new attempt to slander us will find the German nation filled with deep indignation and determined to follow the Fuehrer in ever closer union.

"I repeat Hitler's words at Gustloff's funeral, 'We understand the challenge, and we take it up.' So we march united into Germany's future."

The heat of press attacks on foreign powers, who yesterday made representations to Germany against damage caused to the property of their nationals, boded ill for the Jews.

A principal target for the press was President Roosevelt, whose statement Tuesday decrying the treatment of Jews in Germany has not yet appeared in the German press.

In essence the plan calls for Great Britain to provide land in her colonies, while Jewish and other private organizations of the United States raise money to finance their settlement. France and other colonial powers, as well as South American nations, might also be asked to contribute land.

If the negotiations succeed, Lord Winterton would summon the five-power directorate, including representatives of the United States, Great Britain, France, the Netherland and Brazil, within two weeks.

Diplomatic circles warned there were many difficulties to overcome before all or almost all German Jews could be assured of a refuge abroad.

PRIVATE FUNDS

According to British sources, Ambassador Kennedy told Lord Halifax, British foreig nminister, that the United States Government would not be able to contribute money to the plan, but that a huge fund could be raised privately in the United States, if Britain found land for the Jews.

As a result Britain began scouring the empire for likely places and picked British Guiana as one possibility. This hot corner of northeastern South America has great natural resources, but is swampy and its climate is not generally considered too healthy.

It was learned that Malcolm MacDonald, colonial-dominions secretary, conferred with Stanley M. Bruce, high commissioner for Australia. It was reported that the French were prepared to offer territory in Madagascar. Both New Guinea and Madagascar are undeveloped and great amounts of capital waould be needed, but their climates are more suitable.

Over 250,000 Germans Seek Entry Into U.S.

WASHINGTON, Nov. 16 (AP).—More than 250,000 Germans, officials indicated tonight, are trying to get into the United States to live.

On Oct. 1, latest date for which exact figures are available, there were 220,000 would-be immigrants on the waiting list. It was officially calculated that at least 85 per cent. of them were Jews.

Indications were that the latest outburst of anti-Semitism in the reich had sent the figure beyond 250,000. Cable reports from Berlin said the American consulate was stormed by frantic wives of arrested persons, seeking credentials showing their husbands could enter the United States. Such papers in the past have enabled some Jews to regain freedom.

The credentials cannot be given, however, unless the applicants have qualified under the highly selective visa restrictions which usually disqualify from 80 to 90 per cent. of all applicants.

ANGLO-ITALIAN PACT IN EFFECT

England Recognizes Seizure of Ethiopia—Flow of Nile Waters Assured

ROME, Nov. 16 (AP).—Italy and Great Britain finally made effective today a seven-month-old pact, settling their quarrel arising out of the Ethiopian war.

The Earl of Perth, British ambassador, and Foreign Minister Count Galeazzo Ciano signed a brief declaration making operative the Anglo-Italian agreement of April 16, which, among other things, recognized the Italian conquest of Ethiopia.

Lord Perth presented to Count Ciano new credentials accrediting him to King Vittorio Emanuele as king of Italy and emperor of Ethiopia. This was part of the procedure of composing Anglo-Italian differences in the Mediterranean, Africa, Spain and the Near East.

The friction dates from Nov. 17, 1935, when economic penalties sponsored by Britain and France, with fifty League of Nations members, went into operation to isolate Italy in the 1935 African war.

Italian sources, however, declared Italy was still welded "strongly and firmly and with a full consciousness of responsibilities" to Germany in the Rome-Berlin axis.

They flatly refused to consider any accord with France for the time being at least, partly because of anti-fascist tendencies in French political circles.

Subsequently Count Ciano and Lord Perth handed to the Egyptian charge d'affaires a declaration making effective immediately an agreement guaranteeing the free flow of waters of Lake Tana in Ethiopia, the head waters of the Nile, and free passage to ships of all nations through the Suez canal in peace and war.

The accord had been delayed while Italy withdrew several thousand soldiers from the insurgent army in the Spanish war.

Small Quake Hits Japan

TOKYO, Nov. 16 (AP).—An earthquake of moderate intensity shook eastern and central Japan tonight. Early reports told of no damage. The Central Meteorological observatory estimated the center was in the sea about forty-five miles southeast of Tokyo.

KING CAROL DISCUSSES OIL WITH CHAMBERLAIN

LONDON, Nov. 16 (AP).—King Carol, of Rumania, who is the guest of the King of England, received Prime Minister Chamberlain at Buckingham palace tonight in his first personal contact with a member of the government since the start of his "bargain hunting" trip to Great Britain.

Carol and Chamberlain were believed to have discussed plans to increase Rumania's oil and wheat exports to Great Britain and "matters associated with Rumania's oil supplies."

The Rumanian king was regarded as being in a good position to get favorable terms since he could play off German trade overtures against whatever Britain had to offer.

AMERICA, BRITAIN T... NEW TRADE PACT ... REICH-U.S. COMMER...

TREATY FAR-REACHING

Canadian Premier, Envoy, to Be Present—1,000 Concessions Listed

NAZIS FURTHER IN COLD

White House Says Roosevelt Attack on Terror Applies Also to Catholic Status

By the Associated Press.

WASHINGTON, Nov. 16.—The United States and Great Britain drew closer together today by announcing the conclusion of their reciprocal trade agreement, while the United States and Germany drifted farther apart.

The state department said the British and new Canadian trade pacts would be signed at the White House tomorrow afternoon at 4 o'clock. Prime Minister Mackenzie King of Canada will come here for the signing. Secretary of State Hull, the premier and probably the British ambassador, Sir Ronald Lindsay, will speak after the ceremony.

The Anglo-American agreement links two countries enjoying 40 per cent. of the world's trade, makes the nineteenth agreement concluded by Secretary Hull and brings within trade agreements about 60 per cent. of our total trade.

Trade With Reich Further Curtailed

At the same time it has the effect of excluding Germany further from trade with this country and deepens the abyss between the reich and the United States.

Officials estimate that about 1,000 tariff concessions are granted by both sides in the Anglo-American agreement. Since Germany is on the United States economic blacklist because she discriminates against American trade, she will not be entitled to share in the tariff reductions granted Great Britain as other nations enjoying most-favored-nation treatment from this government will be able to do.

No Colonies to Be Returned, France and Britain Assert

Smuts Declares South Africa to Defend Areas to Utmost—Belgian Cession or "Pool" Seen as Only Concession to Hitler Demand

By the Associated Press.

Germany, whose subjugation of the Jews has aroused concern in many of the world's leading nations, heard the governments of three key countries declare their flat opposition yesterday to return of colonies Germany had before the war.

Discussion of Germany's colonial demands had proceeded behind the scenes since almost immediately after signing of the Munich four-power accord in September, but yesterday suddenly and simultaneously representatives of the governments of Great Britain, France and the Union of South Africa stated bluntly they would oppose any return of Germany's old colonies now entrusted to their care.

These three countries have almost all of Germany's old colonial empire—more than 1,000,000 square miles of the total of 1,130,000. Malcolm Macdonald, British dominions and colonial secretary, said his government "did not contemplate the transfer of any territory under British administration; "Premier Edouard Daladier, of France, said "No cession has ever been envisaged, nor could one be," and Gen. Jan Christian Smuts, veteran South African soldier and statesman, said "We are going to defend South Africa and its vital interests, including Southwest Africa, to the uttermost."

Macdonald followed his announcement in the house of commons that no cessions were contemplated with a statement that this notice was telegraphed to the governor of Tanganyika territory, East Africa, held by Britain under league mandate. These developments emphasized the possibility that colonial appeasement of Germany would have to be based on either acquisition of African territory from Belgium or formation of an international "colonial pool" in which Germany, as a member, would be given free access to her former possessions.

Since both Paris and London have announced their decisions, informed sources assert the only thing left to talk over is how to hold out against expected German demands. They reiterated that thus far Germany had made no official request.

There was a report in Paris that Oswald Pirow, defense minister of the Union of South Africa, was en route to Berlin to propose a colonial program which would give Hitler part of the Cameroons, Portuguese Angola and Belgian Congo. The Cameroons are under French mandate.

If such a plan were advanced, informed sources said, it would run into immediate French opposition to sacrificing any part of the colonial empire.

Trade between Germany and the United States, which has already declined considerably in 1938, may experience a further drop. In a sense, the new pact is considered Hull's answer to the challenge presented by Germany's trade practices, such as barter deals.

Rumors reached the capital today that the German ambassador, Hans Dieckhoff, might be ordered back to Berlin by his government as a protest against President Roosevelt's declaration that Germany's treatment of minorities was unbelievable in a Twentieth century civilization. These reports were unconfirmed by American or German sources here.

Attack on Catholics Assailed

It was announced at the White House today that Mr. Roosevelt's remarks applied to treatment of Catholics in the reich as well as of Jews.

Stephen Early, presidential secretary, said:

"The president's statement was treated by the press as a rather unusual and firm statement as to Jews only, but it refers to the Catholic situation, too."

Secretary Hull said he had not received confirmation of reports that the American embassy in Berlin had filed a protest with the German foreign office against damage to American property during the anti-Jewish outbreak. However, he said American representatives would, under standing instructions, have the right to make protests in individual cases.

Commenting on reports that he had requested governors of some states in this country to protect German consulates, Hull said there was nothing out of the ordinary in the government's extending protection to foreign representatives.

The secretary said he had not received any reaction from Germany to his summons to Ambassador Hugh R. Wilson to return to this country.

German Paper in U.S. Denounces Nazi Acts

NEW YORK, Nov. 15 (AP).—An editorial protesting "desecration of the German name through fanatics in the ranks of the party in power who are trying to drag a great people into the mire of their sadistic lowness" was published today in the New York Staats-Zietung and Herold, German language newspaper.

An editorial spokesman described the paper as independent in policy.

The editorial said, "The terrible events of the last five days can hardly be erased from the minds of mankind. The hopes we had, often against our better judgment, have proven themselves false."

"We do not believe that our relatives and dear friends are participating in the horror mankind has witnessed."

While condemning the slaying of a German diplomat, which touched off the latest nazi demonstrations against Jews, the Staats-Zietung added that "we protest against the dark powers that use this murder as a welcome excuse to let loose the lowest instincts against defenseless people."

GOERING'S PLAN HIT BY TERROR

Loss of Property He Planned to Seize for Reich Angers Nazi—Goebbels Applauds

BERLIN, Nov. 15 (AP).—Gen. Hermann Wilhelm Goering was reported in reliable quarters tonight to have been in an angry mood when he learned of the new wave of nazi anti-Semitic violence, on the grounds that it severely jolted the four-year economic plan he directs.

A German press attack on alleged terrorism by British in colonial administration, meanwhile, accompanied growing resentment against protests from abroad on the anti-Jewish persecutions here.

The field marshal, whose dozen positions include the premiership of Prussia and supreme dictatorship over foreign exchange and raw materials, was reported to have given strict orders to cease property destruction like that of last Thursday when Jewish stores and synagogues throughout Germany were damaged and burned.

He was said also to have berated those responsible for damages costing millions of dollars, but the smashing of a laundry and a grocery near Tempelhof airdrome in Berlin last night indicated disregard of his orders.

Goebbels Approves Mob Action

Goering's views differed in principle with those of Propaganda Minister Paul Joseph Goebbels, who said he approved "inwardly," as he put it, the wholesale demolition beginning last Thursday.

'PIROW PLAN' SUGGESTS NEW EMPIRE FOR NAZIS

LONDON, Nov. 16 (Wednesday) (AP).—The Daily Mail said today that Oswald Pirow, representing the government of the Union of South Africa, is taking to Berlin a "Pirow plan" envisaging creation of a new German colonial empire in Africa instead of returning to Germany the colonies she had before the World war.

Pirow is scheduled to go to Berlin today, probably to talk with Reichsfuehrer Adolf Hitler himself regarding the nazi demand for return of her million-odd square miles of former colonies. He has been conferring with British officials here more than a week.

"He will in fact offer Herr Hitler new colonies for the kaiser's old ones," said the Mail, which added that the new colonies would consist of portions of the French Cameroons, Portuguese Angola and the Belgian Congo.

The Mail said Pirow had an economic scheme to submit for Hitler's approval by which Germany could obtain raw materials from a common colonial pool administered by a joint international board representing all European countries with a stake in Africa, including Germany.

FRANCE READY FOR NAZI DEAL

Would Drop All Resistance to Expansion in East if Rhine Border Respected

PARIS, Nov. 15 (AP).—France prepared today to arrange a bargain with Reichsfuehrer Adolf Hitler which would in effect give Germany a free hand in eastern Europe.

In return France would demand a nazi guaranty of her Rhineland frontier.

An official spokesman said a preliminary basis had been reached for a joint renunciation of war to insure peaceful co-operation between the traditional enemies, substituting conference tables for war in any future disputes.

It was expected that accord would parallel closely the agreement Hitler and Premier Chamberlain signed at Munich Sept. 30, expressing the desire of their peoples never to fight one another again.

Following that general line, it was forecast the German-French agreement would have these results:

First—If another crisis, such as that over Czechoslovakia's Sudeten regions, should arise France would be pledged to settle her part by conference negotiations as was done at Munich.

Reich to Be Free in East

Second—Germany, therefore, would be free to pursue her own policies in eastern Europe without fear or trouble on her western frontier, provided she did not threaten to attack France either by armed force or propaganda.

Informed sources said negotiations for such a post-Munich agreement were spurred when Hitler shelved at least temporarily the old German imperial policy of westward expansion

See Page Nine, Column Four

Kennedy Plea for Removal Of Jews Favored in Britain

Chamberlain, Halifax Seen Ready to Try U. S. Envoy's Proposal That Nations Help Mass of Persecuted Race to Leave Germany

By the Associated Press.

LONDON, Nov. 15.—Urged by United States Ambassador Joseph P. Kennedy, the British government tonight considered a new scheme for leading a mass exodus of Jews from Germany.

The plan was believed to have been drafted by the ambassador himself.

Britain's dominions, colonies and mandate territories, together with the United States, South American nations, France, Belgium and The Netherlands, it was understood, would try to move the majority of the 600,000 Jews still in the reich, not just a smaller part of them.

Kennedy conferred with Prime Minister Neville Chamberlain at No. 10 Downing street and it was believed both Chamberlain and Foreign Minister Viscount Halifax liked the plan and agreed to try it.

To expedite a solution of the problem, intensified by last week's wave of violence against Jewish property in Germany and by ensuing restrictive decrees, the United States and British colonies may be asked to take some refugees immediately.

It was possible a conference might be called soon to allocate the refugees. Ambassador Kennedy, however, refused to make public the details of the plan.

It was believed that Kennedy emphasized the urgency of settling the question at once.

Reports in London said the United States was ready to admit 30,000 Jews.

(In Berlin where United States Ambassador Hugh B. Wilson conferred with Joachim von Ribbentrop, German foreign minister, before returning to America on call of his government, the plan of removing Jews to other nations was discussed. It was understood that one proposal urged on the American envoy was that some colony formerly belonging to Germany and now under mandate be opened to Jews for mass emigration.)

Though the attitude of the British dominions was not known yet, co-operation of The Netherlands government was assured.

Premier Hendrikus Colijn told The Netherlands parliament he was asking Britain, France, Denmark, Belgium and Switzerland to join in urgent discussion of how to find new homes for Jews from Germany.

Chamberlain received a deputation of leading Jews at the house of commons for a discussion along that line, but it was not disclosed if a plan had been devised. The delegation included Viscount Samuel, Viscount Bearsted, Chief Rabbi Joseph H. Hertz, Neville J. Laski, Lionel de Rothschild and Dr. Chaim Weizmann.

Reliable quarters said the British government had kept under consideration the possibility of "approaching

See Page Eleven, Column Six

JEWISH MIGRATION FAVORED IN BRITAIN

From Page One

Germany at the appropriate moment" to obtain an orderly emigration of Jews under the intergovernmental committee headed by George Rublee, of the United States.

It was understood that several informal talks between the British embassy at Berlin and the German foreign office failed to arrive at a decision and Germany was unable to indicate that "the appropriate moment" had come.

The labor party took the first step to open debate in the house of common on Anglo-American co-operation.

A motion introduced in the name of Clement R. Attlee, opposition leaders, would put the house on record as noting "with profound concern the deplorable treatment suffered by certain racial, religious and political minorities in Europe."

"Concerted Effort" Proposed

The proposed resolution said the house of commons "in view of the growing gravity of the refugee problem would welcome an immediate concerted effort among nations, including the United States, to secure a common policy." Debate on this may come this week.

One of the basic difficulties in resettlement of Jews is the fear of peoples in the lands that would adopt them of economic competition.

Governments call it a problem of "economic absorption."

Most German Jews live in cities where they once engaged in retail and wholesale trades and the professions.

Officials of some territories in Africa, asked some time ago to accept German Jewish farm workers who formerly lived in cities, agreed to take the refugees, but demanded a guaranty they would stay on farms.

Jews point out that urban workers have gone to Palestine to work on farms and so far have stayed there without seeking to re-enter city life either in Palestine or elsewhere.

Brazil May Admit Jews

RIO DE JANEIRO, Brazil, Nov. 15 (AP).—Observers here expressed the view tonight that if Brazil continues her present policy some Jews, whose emigration from Europe to be assisted by a British-United States plan, would be permitted to enter Brazil.

The constitution says immigration from any foreign country in any year cannot exceed 2 per cent. of the total number of natives of that country who established a residence in Brazil in the previous fifty years. The German quota for 1938 was 4,772.

FRANCE TO ALLOW NAZIS FREE FIELD

From Page One

and of attempting to challenge Britain as a sea power.

Instead he concentrated on another equally well-established policy of spreading German influence eastward to the Black sea and beyond. During the Czechoslovak crisis Hitler announced Germany did not want Alsace-Lorraine, the provinces France won in the World war, a factor making settlement between the two powers easier.

France was represented by these sources as being willing to abandon thus her twenty-year policy of ringing the reich with French allies, a policy that received a shattering blow at Munich when France agreed to dismemberment of her Czechoslovak ally.

Power for Daladier Aim

While Daladier's government thus broke new ground in Franco-German relations, friends of the premier pushed plans to make him virtual dictator of France for at least three years.

The plan called for postponement of parliamentary elections now scheduled for the spring of 1940 and extension of the premier's decree powers until 1942.

While French and German diplomats were working out their accord, the colonial committee of the chamber of deputies asked that the government make no decision and that no talks be held concerning the colonial problem without consultation of parliament.

The foreign office spokesman pointed to widespread expression of the opinion that France was against relinquishing any colonies as an indication of what the government's answer would be in the event Hitler should ask for the colonies Germany lost in the World war.

Britain May Offer Her Colonies as Haven for Jews

U. S. Would Finance Transportation; America Protests Property Damage.

(Compiled From Associated Press and United Press Cable Dispatches.)

The United States and Great Britain are considering a plan under which Britain would offer land in her colonies to Jewish refugees from Germany, reliable sources disclosed late today in London.

Britain would give the land and the United States and other nations would provide the capital for transportation and establishing the Jews in new lands.

If the plan matures, Britain would offer land in British Guiana and other colonies and then ask the United States and other nations what contribution they are willing to make to solve the Jewish problem.

U. S. PROTESTS

Meanwhile, it was learned in Berlin that the United States has made formal representations to tne German government regarding damage done to American property during anti-Semitic rights.

The representations, like those made by Great Britain, were in the form of a written note in which the United States reserved all rights, including a demand for reparations.

At least three claims have been made by American citizens. A fourth claim was understood to have been made from outside Berlin.

Ambassador Hugh Wilson did not make the representation personally.

OTHER COUNTRIES ACT

Other countries have taken, or contemplate similar action, it was learned.

WASHINGTON.—(A. P.) — The White House said today President Roosevelt's condemnation of measures taken against German minorities applied to Catholic elements as well as Jewish.

Stephen Early, press secretary, told reporters the morning newspapers, in referring to the President's formal statement yesterday, denouncing the Nazi attacks, had "overplayed" the Jewish angle and neglected to point out that Catholics also were involved.

Diplomatic quarters emphasized that foreign nations were not only interested in forcing German recognition of damage cliams, but in obtaining a definite ruling that foreign Jews are exempt from the fines which have been levied on Jews as a whole.

Foreign diplomats were also determined to obtain a reply to their contention that, as a matter of principle, foreign Jews have a right to reopen their shops.

With more restrictive decrees against the Jews expected, the representations were considered particularly important.

PRESS ATTACKS

Germany anaswered worldwide protests with furious press attacks on foreign powers, including the United States, and with increased pressure on Jews.

The press made no reference to President Roosevelt's condemnation of the anti-Semitic campaign, but sternly warned that Jews would be treated as "hostages."

An official answer to President Roosevelt's statement, if there is one, may be given by Fuehrer Adolf Hitler at Dusseldorf Thursday where Ernst vom Rath, slain official of the German embassy in Paris, will be given a "martyr's funeral."

Officials of the propaganda ministry in Berlin refused to comment on the President's statement. It was expected that, as in the past, Nazis would deeply resent "interference" in internal affairs.

Germany will not recall Ambassador Heinrich Dieckhoff as an answer to Wilson's "recall," the Essener National Zeitung, close to Field Marshal Willelm Goering, indicated today.

"The United States may be sured that National Socialist G many is not affected by anti-G man agitation in the United Sta and its official reactions.

"It has long been the traditio United States policy to create ti-German sentiment by uni methods to overcome domestic ficulties."

CATHOLICS NEXT

That the Roman Catho Church may be the next target restrictive measures was forec by Das Schwarze Korps, organ the storm troopers, which sa that the "morally corrupt, u patriotic and criminal clergy neither willing nor able to adm ister wealth belonging to the G man nation."

It suggested that works of art, owned by the church, should be seized and sold to foreigners, asserting that the clergy "will lose nothing to which they have the slightest legal claim."

Meanwhile, it was learned a fiv power conference probably will b called to meet in London within few days to discuss relief for Jew from Germany.

In view of President Roosevelt condemnation of the Nazi ou break and the recent activity o Joseph P. Kennedy, American am bassador to England, on behalf o refugees, it was believed th United States would welcome th suggestion in the hope of helpin Germany's 700,000 Jews.

DIPLOMATS CONFER

The meeting would be attended by Lord Winterton of Great Brit ain, Myron C. Taylor of the United States, Henry Berenger of France, and one delegate each from the Netherlands and Brazil.

In Washington President Roosevelt circled the Western Hemisphere with a boldly-drawn deadline against Fascism and invited twenty sister republics and the Dominion of Canada to help the United States defend it against aggression.

"Continental defense" superseded "national defense" in American policy.

The President coupled his defense announcement with terse and blistering comment on German persecution of Jews. It followed shortly the United States' protest against "unwarranted" Japanese violations of American property and personal rights in China, and warnings to Italy to respect rights of American Jewish nationals.

LIMA CONFERENCE

This establishment of United States defense on a "continental basis," in partnership with the twenty-one peoples who occupy the Western Hemisphere, spotlights the forthcoming Pan-American Con-

ference in Lima, capital of Peru, as a meeting to bulwark the New World against floodtides running riot in Europe and Asia. Secretary of State Cordell Hull will sail November 25 as head of the American delegation to Lima. The conference will begin December 9.

There is no excitement, but a steady pressure for speed in Washington as the United States prepares to live in a newly troubled world.

War Department officials talk of basic equipment for a field army of 1,000,000 men, and they want it quick—within eight months, some of them insist. Back of it all are hope and belief that a continental partnership would be too imposing for any aggressor to dare adventure in the New World.

But battleships are rising from their cradles in the shipyards and more are to be built. "Educational orders" shortly will be accustoming more peace-time manufacturers to the requirements of Army materiel. New antiaircraft defense is in the making; a new automatic rifle for infantrymen has been devised.

Powerful minority voices may be raised in Congress to extend "continental defense" even further. One influential Senate Foreign Relations Committee member told the United Press that Mr. Roosevelt should emphatically reaffirm the unilateral Monroe Doctrine in all its particulars, but without presuming any United States right or obligation to interfere in internal affairs of any sister republic.

It was argued that the Latin-American nations might, but probably would not, be offended, but thatt, in any event, the safety of the United States required such a policy.

Meanwhile, Britain and Italy put into effect the friendship accord they reached last April 16 aimed at settlement of differences which troubled their relations in the Mediterranean, Asia Minor and East Africa.

The Japanese war machine, striking ever deeper into the heart of China, approached Changsha, capital of Hunan Province. Foreigners there were reported safe, but the "scorched earth" policy of the Chinese threatened the city with destruction before it falls to the invaders.

Will Tell Hull

Hugh R. Wilson, above, is on his way home from his post as ambassador to Germany for consultation with Secretary of State Hull, who is deeply perturbed over persecution of German Jews.

May Let Refugees Stay Here Longer

WASHINGTON — (AP) — President Roosevelt told a press conference today that on humanitarian grounds he had proposed a six-month extension for between 12,000 and 15,000 German and Austrian refugees who are in the United States on visitors' permits.

The President said unless this extension were granted the permits of this large group would be cancelled if the refugees were not back in their native land by the end of the year.

Renowned Lawyer To Defend Jew

PARIS. — (AP) — Vincent de Moro-Giafferi, renowned criminal lawyer who once defended "Bluebeard" Henri Landru, announced today he had accepted an American request to defend Herschel Grynszpan, 17-year-old Polish Jew whose slaying of a German embassy secretary loosed Nazi vengeance on German Jews.

Moro-Giafferi said he had accepted the request of the Grynszpan defense committee of America to take charge of the case.

Grynszpan now is in a French prison awaiting trial for killing Ernst Vom Rath.

Like "Bluebeard," who paid for eleven slayings with his life Feb. 15, 1922, Grynszpan faces the guillotine. "Bluebeard" lured women to death on promises of marriage to obtain their money. Grynszpan said his motive was love for the Jewish people.

GREAT INTEREST

The date of Grynszpan's trial, which has stimulated great public interest in France, as well as the rest of the world, has not been fixed.

The German government is expected to attempt to prove Grynszpan was an instrument of "international Jewry" and that the shooting of Vom Rath November 7 was part of a wide plot rather than the act of an individual.

Vom Rath died of his wounds November 11 and was buried yesterday with extraordinary honors at Duesseldorf, Germany, with Reichsfuehrer Hitler attending.

Germany Calls U.S. Envoy Home

To Explain 'Strange Attitude' in America

Japan Finally Answers U. S. Note And Rejects Protests About China.

(Compiled From Associated Press and United Press Cable Dispatches.)

Japan and Germany both took action today in opposition to American foreign policy.

Germany called home her Ambassador to Washington to explain the "queer attitude" in the United States toward "events in Germany."

Japan rejected the major contentions of a United States protest against closing the "open door" in China and declared that "ideas and principles of the past" no longer applied.

Ambassador Hans Heinrich Dieckhoff was ordered to return to Berlin less than twenty-four hours after United States Ambassador Hugh Wilson left Germany for Washington, having been summoney by Secretary of State Cordell Hull at the behest of President Roosevelt for "consultation and report."

The recall of Dieckhoff was officially announced by the Deutsches Nachrichten Bureau, official news agency.

The agency's announcement said:

"The ambassador will thoroughly inform the foreign minister regarding feeling in the United States and the strange attitude toward internal German events as represented in various declarations by President Roosevelt and other leading persons in the United States."

Events leading up to the clouded diplomatic relations today between the United States and Germany began last Monday when Secretary Hull ordered Ambassador Wilson to return to Washington.

At a press conference in Washington Tuesday President Roosevelt revealed that he had issued the order for Wilson's return. He vigorously denounced Germany's anti-Semitic campaign.

AMERICAN ARRESTED

As the announcement was made it was learned that a United States citizen, Morris Greentree, 49, a Jew born in San Luis Obispo, Cal., had been under arrest in Berlin for more than a week.

Thousands of Jews in Berlin anticipated a new decree which would turn them into the streets homeless or create a complete ghetto existence for them.

The threat of a more or less rigid segregation was contained in a measure which the Government was preparing to permit landlords to cancel leases of Jewish tenants without notice.

If the decree were enacted, thousands of Jewish families would be forced to vacate their homes. There was no indication what provision would be made for them.

The departure of Dieckhoff and the recall to Washington of Wilson will in no way represent a formal break in relations between the United States and Germany. Yet it was a diplomatic way of making clear that friendship between them is severely strained; that commercial and other normal relationships are to be conducted by second-string diplomats.

A propaganda ministry official, asked how long Dieckhoff would remain in Germany, replied:

"How long will Ambassador Wilson remain in the United States?"

Whether either ambassador ever will return to his post appeared uncertain. It is not unusual in international affairs for nations that are in controversy to maintain regular diplomatic relations except for the presence of an ambassador.

But the withdrawal of the American and German ambassadors to "make reports" was unusual for several reasons:

1. The strain came just as Europe's democratic powers were seeking to improve relations generally, and in particular to reach an accord with Germany.

2. It emphasized the American policy of condemning government by force, as illustrated at the moment by the Nazi anti-Semitic laws.

3. It emphasized that the new British-United States trade treaty signed yesterday was as significant as a symbol of international amity as for its economic implications.

Meanwhile Japan rejected all major contentions of the United States' note of October 6 protesting against "unwarranted interference" with American rights in China and declared that "ideas and principles of the past" no longer applied to the Chinese situation.

"NEW ORDER"

The Japanese reply, handed to Ambassador Joseph C. Grew, said in conclusion:

"In the face of the new situation any attempt to apply to the conditions of today and tomorrow the inapplicable ideas and principles of the past neither would contribute to the peace of East Asia nor solve the immediate issues."

The Japanese note, which had the approval of the cabinet and the sanction of Emperor Hirohito, declared that Japan was engaged in establishing a new order in East Asia, "which is an indispensable condition of Japan's very existence."

CHARGES DENIED

The note took up the points of the American protest one by one. On some points the allegations of the United States were denied. On others counter arguments were offered. Elsewhere pleas of military necessity were made.

The Japanese reply was authoritatively interpreted as notice that Japan considers that the new conditions created by her conquest of a large portion of China have rendered outdated the international agreements concerning China reached immediately after the World War.

Already responsible Japanese spokesmen have indicated a determination that such pacts as the 1922 nine-power treaty, by which Japan, the United States and seven other nations pledged themselves to respect China's territorial integrity and independence, should no longer bind the Japanese Empire.

When Grew presented the American note October 6 he asked for a prompt reply, but the Japanese Government deliberated long and carefully before answering.

BLOW TO CHAMBERLAIN

In England, Vernon Bartlett, running as an Independent Progressive candidate opposed to "the dangers of Prime Minister Chamberlain's foreign policy," scored a major political upset by winning a by-election for the House of Commons in the Conservative stronghold of Bridgwater. His majority was 2,332.

In Spain, Insurgent armies were reported preparing a new general offensive against Valencia and Tarragona, on the eastern Mediterranean coast, which has seen little action since last Summer.

Japanese forged deeper into Central China from Hankow, captured provisional capital, and carried aerial warfare to China's farthest inland frontiers as the undeclared war reached its 500th day.

Britain Asks Empire to Aid Plan for Removal of Jews

Dominions, Colonies Called Upon to Support Kennedy's Proposal for Mass Resettlement From Reich—$600,000,000 Seen as Cost

By the Associated Press.

LONDON, Nov. 17.—Britain called on her vast colonial empire today to support United States Ambassador Joseph P. Kennedy's international plan to find refuge for German Jews.

Prime Minister Chamberlain asked the governors of British Guiana, Tanganyika, Kenya and other colonies to report immediately how many Jews their territories could accommodate.

At the same time British asked the British dominions and the United States and other major powers what they were prepared to do. Chamberlain announced in the house of commons that he hoped to make a full statement on his government's plans early next week.

George Rublee, American executive director of the thirty-one-nation intergovernmental committee for refugees, conferred with Malcolm MacDonald, secretary for colonies and dominions, and Earl Winterton, chairman of the committee.

Later Rublee estimated it would cost $600,000,000 to attain "final solution" of the German Jews' problem. It is estimated there are 600,000 Jews in Germany, now subject to one of the greatest campaigns of anti-Semitism.

In addition to humanitarian motives, Britain was said to support immigration of Jews into her colonial empire for two reasons:

First—Less than one thousandth of the colonial population is white.

Second—The addition of German Jews to the colonial population might strengthen opposition to Germany's agitation for return of war-lost colonies.

The latter reason was said to have much weight with the Union of South Africa which holds a mandate over Southwest Africa, a former German colony.

The problem was a tremendous one. Even if and when British territory were opened an international committee must find money to transport the refugees and take care of them after their arrival.

Kennedy apparently had pressed the British government with the need of tackling the problem on a large scale and with greatest possible speed. He talked with MacDonald three times this morning and discussed the plan with Clement R. Atlee, opposition leader in the house of commons, and other leading laborites tonight.

The American ambassador's plan has been described authoritatively as calling for an effort to remove most of the Jews from Germany to North and South America and to parts of the British, French and The Netherlands empires.

The envoy laid the scheme before Chamberlain on Tuesday and the cabinet considered it yesterday.

The Jewish agency for Palestine approved a budget of 1,000,000 pounds (about $5,000,000) for Jewish settlement in Palestine and decided to earmark a special fund for the placement of refugees from Germany.

GERMANS MOVE TO TAKE HOMES HELD BY JEWS

Decree Canceling Leases Is Drawn—Defiance Voiced at Vom Rath Funeral

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Nov. 17.—Jews lived in dire suspense today as the nazis solemnly buried as a martyr the young diplomat whose assassination occasioned the latest outburst of anti-Semitism.

The government withheld further restrictive decrees that Jews had expected after the services for Ernst vom Rath, fatally wounded by a Jewish youth, Herschel Grynszpan, in the German embassy in Paris last week.

But two officials in funeral orations for Vom Rath in Duesseldorf warned that "we understand the challenge (of Jewry), and accept it," and "no measure of terror can bring Germany back to slavery." Reichsfuehrer Adolf Hitler attended the services, but did not speak.

Though there were no new decrees, there were new prohibitions, such as a hotel men's ban on Jewish guests, and new hints that thousands of Jews might be evicted from homes overnight. Jews hoped for the fruition of an Anglo-American plan to help them emigrate, but nazi newspapers unloosed new attacks on the United States and Great Britain.

8,000 Homes May Be Seized

Der Angriff, Propaganda Minister Paul Joseph Goebbels' newspaper, said 8,000 homes of Jews would become available shortly for Aryans in Berlin.

Party and city authorities apparently were preparing a decree by which the usual legal protection for tenants would be canceled in the case of Jews.

Denying Jews the right of legal notice of termination of a lease would mean any Aryan wanting a Jew's home could have the tenant evicted overnight.

It was learned also that managers of smaller hotels agreed henceforth to bar Jewish guests. Managers of large hotels declared they could not join in such restrictions because of their international clientele.

From Stuttgart came the news that secret policemen late Sunday night had arrested all male Jews who had been summoned to go to the United States consulate Monday to obtain or discuss visas to the United States.

Because of the great demand for immigration visas, American consulates in Germany register all applicants for such documents and notify them by mail when their turn comes.

BRITAIN AND CANADA SIGN TRADE TREATIES WITH U.S.; FARM BENEFITS EXPECTED

GREATER MARKETS SEEN

Hull, Lindsay, King Hail Outlook for Commerce After Signing

DOMESTIC DISPUTE SEEN

American Duty Concessions on Dairy, Textile Products Likely to Stir Congress

Summaries of major trade concessions are printed on Page 11.

WASHINGTON, Nov. 17 (AP).—Two important new trade treaties, reducing American, British and Canadian tariffs on a wide variety of commodities, made their appearance tonight amid official predictions of a broadly increased foreign commerce — and some signs of domestic controversy.

The pacts, designed to carry forward Secretary of State Hull's program of eliminating the barriers to world trade, among which he considers tariffs the foremost, were signed at a White House ceremony by Hull, Ambassador Lindsay, of Great Britain, and Prime Minister MacKenzie King, of Canada.

The benefits of the new pacts go automatically to all nations with which the United States has so-called "most-favored-nation" treaties—which means every country except Germany. The reich is on the United States' economic "blacklist" because she is accused of discriminating against American products.

See Reply to Reich's Practices

Many officials clearly considered the new agreements a reply to the challenge presented by totalitarian nations' trade practices, such as the reich's barter deals.

Broadly speaking, Great Britain reduced her tariffs on long lists of American products, including agricultural commodities, in return for, principally, a cut in American duties on the output of England's huge yarn and cloth industry.

Canada cut its duties on fruits, vegetables, fishery products, paper products, some wood products, automobiles, machinery, aircraft and aircraft engines, numerous textiles and chemicals. In addition it eliminated a special 3 per cent. tariff so far as all items affected by the treaty were concerned.

For these concessions, the United States reduced its imposts on Canadian cattle, hogs, cheese, eggs, grains other than wheat, potatoes, fishery products, some paper products, silver fox furs and Christmas trees.

Since the reciprocal tariff program has been the subject of a vigorous controversy since its inception, the treaties are considered likely to arouse a renewed dispute when the new congress meets in January. Protests are expected from the textile industry and from the dairy industry, which in several areas has maintained that even the previous rates were too low.

The program was authorized by congress over vehement republican opposition. President Roosevelt was given the power to reduce the tariff rates of the Smoot-Hawley act by a maximum of 50 per cent. in return for compensatory tariff reduction by other countries.

NAZIS BAN WORD JEHOVAH IN GERMANY'S CHURCHES; JEWS CLAMOR TO ESCAPE

SLAYINGS ARE REPORTED

Wealthy Semites Forced to Sign Over 90 Per Cent. of Property

30 DRIVEN OVER BORDER

Hitler Movement Spreads in Memel—Pirow Confers on Colonial Problem

BY LOUIS P. LOCHNER,
Associated Press Staff Writer.

BERLIN, Nov. 19.—Nazi Germany broadened its campaign to eradicate all possible traces of Jewry from national life today amid swift financial, religious and international cross-currents.

Protestant churches in some parts of the country were ordered to eliminate the German word "Jehovah," taken from the Hebrew for God, and Old Testament names of Jewish prophets.

Wealthy Jews in Nuremberg, according to advices received in Munich, were forced to sign over 90 per cent. of their possessions to the German labor front and then told to leave the city within three months.

Thousands Clamor to Leave

A mass eviction of Jews was reported in Vienna. In Berlin, thousands clamored in vain for permission to leave while officials debated ways and means of letting them go.

Lay teachers of religion in public schools asked that pastors and priests assume such instruction. They explained no German teacher could interest Nordic pupils in "Jew-written psalms" and Old Testament history.

A police order was issued today forbidding Jews to use bridle paths.

Propaganda Minister Paul Joseph Goebbels declared in an address at Reichenberg, Sudetenland, that Germany wished the world to become "so pro-Jewish that it would take our Jews off our hands."

A group of thirty Jewish men were driven across the new German-Czechoslovak boundary near Taus by a German military patrol and threatened with death if they returned to Germany. They were held by Czechoslovak police.

Naziism Spreads in Memel

These developments occurred in other spheres:

First—In Memel, a 1,099-square-mile Lithuanian area detached from Germany by the Versailles treaty, the formation was announced of a uniformed German youth movement like the Hitler youth in Germany.

Second—The government announced its fourth loan this year "to meet liquidity in the money market." It was in the form of treasury bills amounting to 1,500,000,000 marks ($600,000,000), the same as the loan announced Oct. 1 "for continuing the tasks assumed by the reich (national) government."

Third—The defense minister of the Union of South Africa, Oswald Pirow, conferred with Foreign Minister Joachim von Ribbentrop, perhaps about Germany's interest in the return of her war-lost colonies.

Fourth—Newspapers devoted big headlines to reports of unrest and "revolt" by armed bands in the Czechoslovak province of Carpatho-Ukraine (Ruthenia). (The official news agency in Prague denied the existence of a

CZECH PRESS CHARGES POLES AID TERRORISTS

PRAGUE, Nov. 20 (AP). — Czech newspapers openly charged Poland today with arming terrorists and transporting them in military automobiles to the frontier for operations in Carpatho-Ukraine (Ruthenia), Czechoslovakia's easternmost province.

They alleged that some terrorist leaders were "officers of the Polish army."

The official news agency yesterday said bands from Hungary and Poland had caused six deaths in the last few days along the border, but no further reports of trouble were received here today.

The press, which still is under strict government surveillance, said, "Budapest and Warsaw have not given up hope for a common frontier" by having Carpatho-Ukraine joined to Hungary.

There were reports that Germany had expressed to Hungary her displeasure with any efforts to stir up trouble in Carpatho-Ukraine.

NAZIS FORBID USE OF WORD 'JEHOVAH'

From Page One

"revolt," but said Hungarian-Polish terrorists had killed six persons.)

Fifth—Authenticated reports accumulated in offices of foreign missions regarding the killing of Jews in anti-Semitic disturbances that followed the slaying of Ernst vom Rath, secretary in the German embassy in Paris, by a young Jew last week.

Various envoys asked themselves how many German Jews had paid with their lives for the assassination. Cases on file in one diplomatic office included:

Hermann Fuerstenheim, director of a large firm in Chemnitz, was shot dead in the cellar of his home and his ashes were delivered later to his family. A medical doctor named Lewin, of Polzin, was shot when he opened his door in response to a knock.

A Duesseldorf restaurant owner named Markus was forced to watch his property being demolished. Afterward he was killed.

At Kuestrin a Jewish attorney was shot dead.

The diplomatic office recording these cases had additional reports which could not be verified immediately.

On the material side, a levy of 1,000,000,000 marks ($400,000,000) has been decreed against the Jewish population. A week has passed since the announcement of the fine, but no intimation has been given about how it is to be collected.

Emigration Funds Are Issue

Informed circles declared a behind-the-scenes controversy was going on to determine whether Jews should be expelled from Germany without funds or whether sufficient money should be left them collectively to make possible an ordered and regulated emigration in agreement with the international refugee committee established last July at a meeting of representatives of thirty-one c Evianles-Bains, France.

This indecision on policy virtually all emigration.

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This indecision on policy has halted virtually all emigration.

Not knowing how much to exact from each Jew who wants to leave, the finance ministry, responsible for devising means of collection, has instructed its collectors to decline to issue certificates showing all the applicant's financial obligations to the state have been met.

When a Jew applies to police for an immigration passport, he is told service regulations prevent the giving of passports without the financial certificates, thus a circle has grown.

An order of President Friedrich Werner, of the supreme evangelical church council, who has authority only in north Germany, provided that the name of the God of Israel and the names of the Jewish prophets must be erased wherever displayed in Protestant churches.

It was said the action followed upon nazi threats in parts of Saxony that Christian churches permitting such names to remain would be set afire as were Jewish synagogues in last week's anti-Jewish violence.

Some theologians said the order lacked legal force and it was expected some clergymen would not obey it.

Opposition was expected to Dr. Werner's order in the so-called confessional church, of which the imprisoned Dr. Martin Niemoeller was the head and which claims to represent the majority of the 10,000 pastors in Prussia and Saxony.

There was a possibility that Dr. Werner could punish recalcitrant clergymen by canceling their salaries.

Officials, both German and South African, were cautious about revealing what Pirow's talks with Field Marshal Hermann Wilhelm Goering, Von Ribbentrop and other leaders have accomplished.

It was not revealed whether the question of colonies was brought up, but it was believed German leaders were anxious to discuss that topic. (Pirow hitherto visited Lisbon and London, and it was said previously he desired exact information on the nazis' intentions regarding the return of African territory.)

Foreign office circles were represented as realizing the anti-Jewish outbursts had affected seriously negotiations for the return of colonies and as believing their main hopes now are to prevent handing over some former German colony for settlement by Jewish refugees.

Dr. Ernst Neumann, Memel German leader recently released from prison, announced members of the Memel youth movement would be given uniforms, thereby paralelling the practice of the Hitler youth in Germany.

He also announced nazi racial laws would be introduced into the Memel territory. (Dr. Neumann in 1935 was sentenced to twelve years' imprisonment in connection with a plot to deliver Memel to Germany. He was pardoned last February and in October started a political comeback with the announcement that he would head the list of German candidates for parliamentary elections Dec. 11. The Memel territory long has been a hotbed of nazi agitation).

JAPAN REBUFFS U.S. ON DEMAND FOR OPEN DOOR

9-Power Treaty No Longer Binding, Tokyo Implies in Reply on China

By the Associated Press.

TOKYO, Nov. 18.—Japan denied today point by point every charge in an American note demanding maintenance of the "open door" in China and asserted that "ideas and principals of the past" no longer apply in China's "new situation."

This "new situation" results from Japan's aim of an "Asia for Asiatics," in which she would forge China into a solid bloc with Manchukuo and the Japanese empire for the political and economic domination of East Asia.

Observers interpreted the note as an open declaration of Japan's intention to dictate the conditions under which foreign business may continue and foreigners may live henceforth in China.

It was taken as a sweeping statement of policy not only to the United States, but to the world generally that:

First—A new order, which Japan intends to control entirely, exists in China and pre-war conditions cannot apply.

Second—The "open door" will continue only in economic fields of minor importance.

Pact to Be Ignored

Although the 1922 nine-power treaty for respect of China's territorial integrity and independence was not mentioned specifically, observers also held the statement against "ideas and principles of the past" sharply illuminated Japan's intention to disregard the pact.

HUNGARY STUDIES PLAN TO EXPEL SOME JEWS

BUDAPEST, Nov. 18 (AP).—Proposals to decrease the number of Jews in Hungary were considered today at a government party committee meeting attended by Premier Bela Imredi, who demanded last Tuesday revision of anti-Jewish laws.

Principal suggestions discussed were encouraging emigration of Jews and providing special taxes to make rich Jews pay for emigration of those who could not afford to move.

(Hungary's 1930 census listed 444,500 Jews out of a population of 8,688,000.)

HAVEN IN CUBA OFFERED JEWS

Batista Asserts 'Our Hearts Are Open'—Alaska Also Suggested as Shelter

NEW YORK, Nov. 18 (AP).—A haven in Cuba was offered political refugees from Germany today by Col. Fulgencio Batista, commander-in-chief of the Cuban army and Cuban government leader.

"The highest law of mankind is the law of humanity," Col. Batista said, "and Cuba's past suffering keeps her always conscious of the suffering of other human beings. Our hearts are open to them."

Another haven—Alaska—was proposed by Representative Charles A. Buckley (dem., N. Y.) in a letter to President Roosevelt.

Meanwhile the Spanish ambassador, Fernando de los Rios, reiterated the offer of Spain to give shelter to refugees from Germany.

"The only conditions are," said de los Rios, "that such refugees have been persecuted because of race or religion, or political ideas, and that they wish to seek peaceful employment in Spain."

Ready to Offer Bill

"Alaska," Buckley wrote to the president, "is a land well endowed by nature and her resources will enable refugees to live there, and live there well, without any need for continuous reliance on outside help."

Pointing out that Alaska "is practically uninhabited," and that Alaskans "continuously appeal for new settlers," Buckley said he would be happy to introduce in congress a bill excluding Alaska from the quota restrictions and other provisions of the immigration law.

The central European refugees would undergo no severe changes in climate or diet in Alaska, he added.

Meanwhile, Prof. J. P. Chamberlain, of Columbia university, chairman of the co-ordinating committee for German refugees, said there was no authoritative basis for the suggestion that Lower California, a part of Mexico, be used as a home for refugees.

No "responsible Jewish group" was behind the idea, he said, and it had no "important financial backing."

Socialists Plan to Picket

As protests over treatment of racial and religious minorities in Germany increased today, Irving Barshop, acting executive secretary of the socialist party in New York, announced that socialist sympathizers would picket the German consulate at 17 Battery Place tomorrow.

More than 5,000 persons would participate in a demonstration outside the consulate, Barshop said.

The Hamburg-American liner Hansa docked late this afternoon with 300 passengers, but there were no pickets at the pier at West Forty-sixth street. A police launch followed the ship up the Hudson and stood by while she was berthed. Thirty patrolmen were on duty outside the pier.

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RICAN PROTEST

Domestic Troubles

PARIS, Nov. 18 (AP).—Premier Edouard Daladier's government underto today to hasten accords with Germ and Italy as steps toward quieting mestic and foreign disturbances.

The cabinet, meeting under dent Albert Lebrun at the Elys ace, reviewed the foreign situation

F.D.R. ASKS MORE TIME

Says It Would Be 'Cruel, Inhuman' to Send Them Back to Persecutions

CUMMINGS FLAYS NAZIS

Green Asks for Boycott by A.F.L. of German Goods—Envoy's Home Guarded

By the Associated Press.

WASHINGTON, Nov. 18.—Secretary Hull urged the active participation of all governments in seeking a solution for the problem of Germany's Jewish refugees today, asserting that recent developments had made the problem more than ever urgent.

He made this assertion in a formal statement, announcing that Myron Taylor would return to London to attend, as the representative of the Washington government, an early meeting of the intergovernmental committee on political refugees.

The day was filled with other developments arising from nazi treatment of the Jews, which President Roosevelt has denounced as "unbelievable."

The president asked the labor department to permit 12,000 to 15,000 German and Austrian refugees, here on six-month visitors' visas, to remain in the country an additional half-year. He told a press conference it would be cruel and inhuman to send them back to face the rigors of a concentration camp or other persecutions.

JAPAN REBUFFS U.S. ON DEMAND FOR OPEN DOOR

9-Power Treaty No Longer Binding, Tokyo Implies in Reply on China

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ANTI-SEMITISM WORRIES PARIS

Influx of Refugees, Fear of Friction With Hitler Stir Agitation Against Jews

PARIS, Nov. 19 (AP).—An anti-Jewish current in France continues while voices are raised in protest against the government's silence on the German Jewish issue.

Anti-Semitism was brought to the surface by extreme nationalists when Jewish Leon Blum became premier two years ago, and has been growing apace, especially in regions near the German frontier.

In the new attention focused on the question by the slaying of Ernest vom Rath, German diplomat, by a young Polish Jew, certain newspapers again have attacked the socialist ex-premier, calling him a "foreigner."

Blum, in reply, published a statement declaring his family had been French for generations.

Would Not Embarrass Government

The former premier, however, in a speech last Sunday at Lille, indicated that a Jew, even if called to head the French cabinet, would refuse because "it is not his duty to increase the international difficulties of his country."

"But will that continue always?" he asked. "Are we destined to submit even in the free acts of our international life to the pressure of foreign ideologies?"

French merchants loudly complain that German Jewish refugees and other foreigners are ruining their businesses by competition.

Premier Edouard Daladier, whose cabinet includes two Jews, is reported worried by Reichsfuehrer Adolf Hitler's displeasure against German refugees finding havens in France.

On the other hand, Communist Deputy Albert Regal wrote to Edouard Herriot, president of the chamber of deputies, announcing he would question the government on what measures it intended to take to stamp out the anti-Semitic campaign in France.

Before the slaying of Vom Rath, anti-Semitism burst into the open following the signing last Sept. 29 of the Munich accord for the dismemberment of Czechoslovakia.

Violent nationalist newspapers then told their readers that the war which had been avoided was planned by Jewish refugees for "revenge" against Hitler.

JEWS IN ITALY WITHOUT JOBS

15,000 Breadwinners Ousted by Racial Laws—Manual Labor Only Permitted

ROME, Nov. 19 (AP).—Italy's new racial laws, expected to reduce most of Italy's Jewish breadwinners to the position of small tradesmen, are said to have resulted in discharge of 15,000 Jews from government and private jobs in the past few days.

Since the government has estimated Italy's 57,425 Jews are in approximately 15,000 families, estimates of the newly unemployed Jews indicate an average of one per family has lost his job.

Usually reliable private sources reporting the action said it was in compliance with the decree of Nov. 10 excluding Jews from government positions, restricting their businesses and professions and forbidding their marriage to Italian "Aryans."

Virtually the only occupations left open to Jews are operation of small businesses and manual labor and presumably the 15,000 now are looking for these types of work. The Italian press notes that few Jews are laborers.

Immediate economic distress of the displaced Jews was believed averted by a provision that discharged Jews are to receive the usual legal indemnity of one month's salary for every year of service and pensions where they have earned them.

Also seeking jobs are an undetermined number of non-Jewish servants of Jewish families, who no longer may employ "Aryan" domestics. These servants must quit their jobs immediately.

Another phase of the new racial laws, the marriage provisions, was reported to be the subject of negotiations by Father Pietro Tacchi-Venturi, rector of Rome's Church of Jesus and a noted peacemaker between the fascist government and the church.

Father Tacchi-Venturi was reported seeking a solution of the dispute over the ban on marriages between "Aryan" and "non-Aryan" Italians. Pope Pius himself personally protested against the ban in letters to both Premier Mussolini and King Vittorio Emanuele.

to G.O.P. Was New Deal 'Slow-Up' Sign

BY FRED HIXSON

United States Senator James P. Pope, of Idaho, said here last night in an interview that he had found "a great amount of sentiment" for President Franklin Roosevelt and for Secretary of State Cordell Hull as the democratic standard bearer in 1940.

their campaigns they favor the ob tives of the new deal.

Senator Pope said he had not ta with the president since the elec but believes Mr. Roosevelt has terpreted the returns as he (P has. At the next session of cong Senator Pope said he did not ex

CITE MORMON EJECTION

Call to Halt Anti-German Wave Seen, However, in Other Comments

REACTION HURTS TRADE

Berlin Police Say No More Jews Will Be Arrested—One Theater to Open

BY MELVIN K. WHITELEATHER,
Associated Press Foreign Staff.

BERLIN, Nov. 20.—The newspaper Boersen Zeitung renewed today attacks on President Roosevelt in the nazi-controlled press, calling him the "prototype" of the anti-German wave arising from the nazi campaign against Jews.

The publication asked why the president's "so-called conscience" did not trouble him over the burning of churches in Spain.

"That does not interest Herr Roosevelt," it declared. "That leaves him cold.

"So Herr Roosevelt stands as the prototype of the anti-German movement.

"This movement is not motivated, as it makes believe, by a policy concerned with justice and humanity, but it is motivated by absolute selfishness."

The editorial declared such a movement destroys progress toward peace.

Reichfuehrer Hitler's own newspaper, Voelkischer Beobachter, published what it called a history of the ejection of Mormons from the states of Missouri and Illinois, describing it as an "American parallel to the Jewish problem in Germany."

Parallel From "God's Land"

The article was entitled "State Within a State." It carried an introductory paragraph designed to recall to the memory of "fair-minded Americans" a "staggering parallel from the history of 'God's own land'" in the interest of a "better understanding of the Jewish question in Germany."

Secret police were reported to have searched homes of foreigners suspected of having harbored Jews since the mass action against Germany Jewry began ten days ago.

Several foreigners asserted their homes had been searched yesterday, but said they were not told whether the police were hunting specific Jews who escaped their net or were at-

apace, especially in regions near the German frontier.

In the new attention focused on the question by the slaying of Ernest vom Rath, German diplomat, by a young Polish Jew, certain newspapers again have attacked the socialist ex-premier, calling him a "foreigner."

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The German press, meanwhile, printed long editorials, milder in tone than recently, asking whether foreign governments intended for the Jewish question to blacken the international atmosphere.

Field Marshal Hermann Wilhelm Goering's National-Zeitung, of Essen, again spoke of "hysterical reaction" abroad against an act of Germany which concerned only Germany.

The National-Zeitung said "nothing will be changed in the German measures" against the Jews, but the tone of responsible comment generally was milder than it has been.

This was interpreted as a call to halt anti-German sentiments which have been expressed throughout the world, especially in the Anglo-Saxon countries.

Newspapers said they admitted that the anti-Jewish measures have had an effect on the foreign policies of some countries regarding Germany.

Nazis Ease Terror; U. S. Jews Urged to Raise Hundred Million

German Jews Given Slight Concessions.

LONDON.—(A. P.)—Prime Minister Chamberlain today told the House of Commons of plans to lease at least 10,000 square miles in British Guiana to provide homes for German Jews seeking refuge abroad from the Nazi regime's anti-Jewish campaign.

The Prime Minister also disclosed that negotiations had made favorable progress for the settlement of Jewish refugees in Tanganyika, formerly German East Africa, and other territories in Africa.

Tanganyika now is held by Britain under league mandate and Chamberlain last week declared the British Government was not considering its return to Germany to satisfy Chancellor Hitler's colonial demands.

Chamberlain's disclosures were made prior to the opening of a scheduled general debate on the question of minorities in Europe.

BERLIN.—(A. P.)—The first dim signs of a slackening in the anti-Jewish drive appeared today, after eleven days in which even the homes of foreigners were reported searched for Jews.

The letdown did not lessen general despair or what was for many Jews an acute problem—how to live from day to day. They were unable to draw upon bank reserves to replenish ready cash funds because the head of the house, who made the deposits, was under arrest.

Nevertheless, there was at least a momentary end to the wholesale arrests which Jews estimate sent 60,000 of their men to jail and concentration camps.

A usually good authority said some Jews would be permitted to continue their export businesses, because their contacts abroad were too valuable to abandon in the face of decreasing foreign orders for German goods.

Propaganda Minister announced November 12 that Jewish organizations would be permitted to resume activity.

The first result is to be a presentation tomorrow by Fritz Wisten, leading Jewish theatrical producer. He was released last Thursday from concentration camp and ordered to "present a comedy," "Rain and Wind," taken from Shakespeare, although Jews complained they were in no mood for comedy.

Authorization to resume publication of announcements for the Jewish community, but without advertisements or news, was given the newspaper Judische Rundschau.

Huge Sum Is Suggested For Resettlement.

WASHINGTON.— (LP) —Jewish leaders called upon American Jewry today to levy upon itself a "voluntary fine" of $100,000,000 for resettlement of Jews being persecuted in Germany.

The proposal was made by Rabbi Edward L. Israel of Baltimore at a one-day emergency conference of the seaboard region of the united Palestine appeal. He suggested that the $100,000,000 would contrast the $400,000,000 "stolen from the Jews of Germany by the Nazi regime" and would create opportunities for Jews "now languishing in a no-man's land in Central Europe."

The conference climaxed a week-end of concern for oppressed minorities. Saturday one of this country's most distinguished Jews, Supreme Court Justice Louis D. Brandeis, discussed the refugee problem with President Roosevelt. It was another of Brandeis' rare public appearances —the second this Fall precipitated by his concern for members of his race.

Enemies Ready To Invade Czech District.

VIENNA.—(U. P.)—The danger of armed conflict over Czechoslovakia's eastern frontier, involving Hungary and Poland and possibly Germany and Italy, increased today as new incidents were reported.

Both Poland and Hungary were reported to be prepared to march into Ruthenia and eastern Slovakia at a moment's notice. Both nations have been reinforcing frontier troops.

It was said that they were ready to take advantage of any serious frontier incident for "police action" to preserve peace.

Both had been disappointed by their failure to obtain from the Vienna conference which settled Czech-Hungarian territorial disputes, enough Czech territory to give them a common border.

Observers believed that if the situation grew dangerous, Adolf Hitler and Benito Mussolini would take a strong hand. Italy and Germany were the Vienna arbiters and rejected Hungary's full claim.

Occupation of eastern Czechoslovakia by Hungary or Poland or both would constitute a loss of prestige to Italy. For Germany it would be a loss of prestige and would also threaten to close the road to the Black Sea. At the same time it would interfere with Germany's economic program in Slovakia and Ruthenia, as well as in Bohemia and Moravia, the other Czechoslovakian provinces.

HITLER DISPLEASED

Hitler's newspaper, the Vienna Voelkischer Beobachter, reflected the acuteness of the situation in an editorial which warned that any opposition to the Vienna verdict "can become an attack on peace." A campaign "for frontier clarification" has been conducted by Hungarian newspapers.

ASSERTS CHINA NOT REAL ISSUE

Japanese Editorial Declares Mastery of Pacific Is Key to the Situation in Asia

TOKYO, Nov. 20 (AP).—An outspoken editorial in the newspaper Hochi declared today that the issue raised by the recent United States protest against discrimination in China lies not in China, but in ultimate domination of the entire western Pacific.

Determination of who finally will be "master of the western Pacific," the newspaper said, will be the "answer to this issue."

Hochi's statement reflects a view long held by the Japanese navy which consistently has argued that control of the Pacific ocean trade lanes is equally as important as control of the areas on the Asiatic mainland.

(The editorial followed Japan's answer Friday denying United States charges in a protest Oct. 6 that American interests were suffering "unwarranted interference" in China.

Pact Considered Obsolete

(The Japanese answer frankly asserted that Japan was engaged in establishing a new order in Asia. This was interpreted in authoritative quarters as virtual declaration that Tokyo considered the 1922 nine-power treaty obsolete.

(The treaty, signed at Washington by Japan, the United States and seven other nations, pledged respect for China's territorial integrity and independence and the principle of the "open door.")

The Japanese press spoke with almost one voice today after a day of silence on the Japanese note.

Hochi saw the American protest as the latest manifestation of "American policy of the past forty years" and concluded that further exchanges of notes would be futile since the real answer must be found in "who will be master of the western Pacific."

The newspaper Yomiuri expressed disappointment that Japan's reply had not stated openly the empire's intention to renounce the nine-power treaty.

"The reply to the American note was an excellent chance for Japan to clarify her attitude toward the treaty," Yomiuri said.

"The government's reply was too conservative. The treaty is a dead letter and its continuance is harmful. The government at the earliest occasion should make a clear-cut expression in this direction."

BRITISH OFFER JEWS SHELTER IN 5 COLONIES

Government Plans to Lease a Large Area in Guiana, Chamberlain Asserts

EXPECTS CASH FROM U. S.

Limited Space in Germany's Former Colonies Included in Defiance of Hitler

By the Associated Press.

LONDON, Nov. 21.—The British house of commons with rare unanimity adopted a motion tonight deploring infuriated Germany's treatment of the Jews after the government had announced plans to create havens for refugees in Africa and British Guiana.

Adolf Hitler was reported angry at Prime Minister Chamberlain's announcement Jews would be sent to a former German colony in Africa, Tanganyika, as well as to British Guiana in South America, and led to unconfirmed reports here that Germany's ambassador to London might be recalled.

The Tanganyika project was regarded in Berlin as a "plot" to avoid returning the colony to Germany.

Appeasement Plan Hit

Germany's anti-Jewish drive was bitterly assailed in the house of commons debate, which disclosed that already Chamberlain's hope of reaching an appeasement settlement with Germany based on the Munich accord had been struck a severe blow.

Labor members of parliament proposed taxing of German products, controlling of German assets in England and strong diplomatic action as methods of forcibly drawing Germany's attention to British disapproval of the persecutions.

Chamberlain said Britain intends to lease "on generous terms" at least 10,000 square miles in British Guiana and as much land in Tanganyika, northern Rhodesia, Nyasaland, and Kenya colony as economically and climatically suitable.

It was learned on unimpeachable authority that Britain backed the plan with the understanding that private capital in the United States would raise $100,000,000 to help the Jews reach, settle and lease their new homes.

SLOVAKS WARN OF REPRISALS

Ready to Seize Hungarians' Property if Magyars Oust Settlers in New Areas

BRATISLAVA, Czechoslovakia, Nov. 22 (AP).—The Slovak autonomous government today threatened confiscation of the property of Hungarian citizens in Slovakia as an answer to a Hungarian announcement that Slovak colonists would be expelled from Hungary's newly annexed territory.

The colonists obtained land from the Czechoslovak government in accordance with its land reform program that saw the break-up of many large estates after the World war. Many of the colonists settled in Hungarian-populated areas, which were annexed to Hungary in the Vienna agreement of Nov. 2 at which Italy and Germany were mediators.

As a protective step the Slovak government decided to register the wealth of Hungarian citizens in Slovakia for possible confiscation to provide for the colonists, if they are turned out of Hungary without proper indemnification.

Advices from Budapest said the Hungarian government was prepared for negotiation concerning all possible damages.

Split Menaces Imredi's Rule

BUDAPEST, Nov. 22 (AP).—Differences of opinion on the handling of Ruthenian and domestic questions led to the resignation tonight of sixty-one members of parliament from Premier Bela Imredi's party of national unity.

As a result, Imredi's position was considered precarious in political circles, which said the dissidents were displeased with the sudden policy of moderation the government displayed in its demands for a part of non-autonomous Carpatho-Ukraine (Ruthenia), easternmost Czechoslovak district.

The total membership of the party of national unity, which is confined to members of parliament, is 160.

Premier Imredi's friends, however, said he was sure of ninety-eight votes of the national unity parliamentarians and thirty-two others would give him the necessary support to survive. Membership of the lower house is 255.

DEFENSE TOPIC OF PARIS TALK

Britain, France to Ignore Nazi Colonial Claims and Seek to Keep Solidarity

LONDON, Nov. 22 (AP).—The British cabinet today approved the subject matter of two-day talks between the heads of the British and French governments which put the accent on mutual defense and avoided colonial concessions to Germany.

Prime Minister Chamberlain and Foreign Secretary Viscount Halifax will open the conversations with Premier Daladier and Foreign Minister Georges Bonnet in Paris tomorrow.

The apparent indifference of Reichsfuehrer Hitler toward Chamberlain appeasement and the German drive against the Jews have pushed Germany's colonial claims off the agenda for the post-Munich talks of Britain and France.

The conversations were designed to elucidate how Britain and France could cope with expanding German influence and at the same time preserve the Sept. 29 peace of Munich, which Chamberlain called "peace with honor."

An exchange of assurances between Hitler and Robert Coulondre at Berchtesgaden, when Coulondre presented his credentials as France's new ambassador to Germany was taken by some observers as a manifestation of fascist desires to divide France and Britain.

Although there was no evidence of a British-French split, points on which there was believed to be a divergence of views included:

Defense:

The British not only want the French to provide the bulk of land forces in the case of war, but were thought likely to urge a big speed-up in French aircraft construction with stress on bombers in view of the recent British decision to concentrate on fighting planes.

The French may approve the air program, but were expected to request that the British be prepared to provide a continental army to make up for the forty Czechoslovak divisions lost for possible aid of France in the Munich accord.

Spain:

Britain would like to see a settle-

Genuine Spring Lb..... 30c
HAM—FRESH PORK, Boneless, Rolled, Lb.....

REICH WARNED NOT TO MOLEST AMERICAN JEWS

Note Asks Specific Pledge U.S. Nationals Will Be Exempt From Decree

ANNIHILATION SEEN AIM

Nazi Says Despoiled People Must Become Criminals and Then Can Be Exterminated

By the Associated Press.

BERLIN, Nov. 22.—The United States has sent a note to Germany asking formal assurance that the decree ousting Jews from business enterprises does not apply to Jews holding American citizenship, it was revealed today.

The note was delivered to the foreign office late yesterday. A specific reply was requested. The communication was the second from the United States on the subject of the nazi government's repressive laws against Jews. On May 11 the American state department protested against inclusion of American citizens in a decree requiring Jews resident in Germany to register property held there. Germany's reply, on June 24, was not made public.

Nazi officials recently have stated specifically that foreign Jews did not come under the recent anti-Jewish decrees.

The German nazi regime meanwhile developed plans for extending the anti-Jewish campaign through the winter.

Fight to Go On, Goebbels Says

Propaganda Minister Paul Joseph Goebbels declared to 2,000 propaganda workers of the Berlin district tonight that nazis will "stick to their guns" on the Jewish problem.

The meeting, first of a series of 1,500 anti-Semitic demonstrations scheduled during the next few months, was held as Germany prepared to press economic annihilation of the Jews, a policy which appeared to be driving a wedge deeper between her and three great nations—the United States, France and Britain.

Speaking in the Kroll opera house, Goebbels coupled his attacks on Jews with yesterday's debate in the British house of commons, when Germany's policies were criticized, and warned:

"If the English want to conclude a binding friendship with the German people, they should not make this friendship dependent on inner political German circumstances."

"The behavior of Jewry itself in Germany compels a sweeping and swift solution," Goebbels asserted.

"The German nation today no longer will put up with interference and a governess-like tutelage," he said of parliamentary criticism in

RESPECT RIGHTS, U.S. WARNS REICH

From Page One

Das Schwarze Korps said.

"But no one needs believe that we could watch this development calmly. The German people have not the slightest desire to allow in their community hundreds of thousands of criminals, who not only safeguard their existence through crime, but also want to obtain revenge.

"* * * In such a stage of development, we would face the sheer necessity of rooting out the Jewish underworld just as we used to root out criminal elements in our land of order, with fire and sword.

Would Annihilate Race

"The result would be the actual and final end of Jewry in Germany, its very annihilation."

Meanwhile, there were these developments in the anti-Jewish campaign:

Authoritative quarters said the German government had ordered a ban on all Jewish religious services except marriage and burial rites—the most far-reaching interference with practice of the Jewish religion in the present campaign.

The justice ministry was reported by the Frankfurter Zeitung to have ruled that any non-Jewish attorney who undertakes to defend a Jew in court or even give him legal advice risks exclusion from the bar association.

The only Jewish newspaper permitted under regulations imposed in the new campaign, Juedische Rundschau, resumed publication today. Editorials and general articles were lacking and only official notices were permitted.

Even death notices fell under the ban. For the next four weeks the newspaper will not mention suicides, fatal accidents or even deaths from natural causes.

There was no indication of what policy the German government had decided upon for raising the 1,000,000,000 mark ($400,000,000) fine imposed upon Jews for the slaying of Ernst vom Rath, German embassy secretary in Paris, by a young Polish Jew.

Because of this, the emigration of Jews was stagnant. Jews said they expected no normal resumption of Jewish departures from Germany until the method of levying the fine is settled.

The press, meanwhile recorded nazi feeling against settlement of German Jews in British Tanganyika, former German East Africa, as proposed by Great Britain. Official reaction was withheld, apparently pending the out-

elucidate how Britain and France could cope with expanding German influence and at the same time preserve the Sept. 29 peace of Munich, which Chamberlain called "peace with honor."

An exchange of assurances between Hitler and Robert Coulondre at Berchtesgaden, when Coulondre presented his credentials as France's new ambassador to Germany was taken by some observers as a manifestation of fascist desires to divide France and Britain.

Although there was no evidence of a British-French split, points on which there was believed to be a divergence of views included:

Defense:

The British not only want the French to provide the bulk of land forces in the case of war, but were thought likely to urge a big speed-up in French aircraft construction with stress on bombers in view of the recent British decision to concentrate on fighting planes.

The French may approve the air program, but were expected to request that the British be prepared to provide a continental army to make up for the forty Czechoslovak divisions lost for possible aid of France in the Munich accord.

Spain:

Britain would like to see a settle-

Genuine Spring, Lb..... 20c
HAM—FRESH PORK, Boneless, Rolled, Lb..... 30c

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"The behavior of Jewry itself in Germany compels a sweeping and swift solution," Goebbels asserted.

"The German nation today no longer will put up with interference and a governess-like tutelage," he said of parliamentary criticism in London.

"They say: 'In the last five years you have handled the Jews badly.'

Says Jews Still Wealthy

"But Jews still possess 60 per cent. of Berlin's real estate. Jews even now own capital of approximately 8,000,000,000 marks ($3,200,000,000). That means the German people, according to their percentage of population, ought to have 900,000,000,000 marks ($360,000,000,000), but the German people possess only 200,000,000,000 marks ($80,000,000,000) of national wealth.

"That means, therefore, that the Jews still have managed to keep the four and one-half-times more of German wealth after five and a half years of national socialistic government."

Further indicating the nazi pressure would continue relentlessly, Das Schwarze Korps, organ of the black-uniformed SS, prophesied "annihilation" would be in store for the German Jew should he sink to the criminal level—a status which the publication said might become a reality.

The weekly declared the Jews soon would exhaust what capital they possess, become impoverished and in a state of "complete elimination" from German life.

"And if we, as will prove necessary, force the rich Jews to take care of their 'poor' racial brothers, they will sink altogether into criminality in accordance with their very instincts,"

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Germany May Recall Envoy To Britain

Nazis Irked By English Plan To Resettle Oppressed Jews.

BERLIN.—(U. P.)—The German press sharply warned Britain against using former German colonies as Jewish refuges today as Nazi concentration camps swelled with new arrests and a "stigma" was placed on Jews.

Reports in London that Germany might recall her ambassador, Herbert von Dirksen, were met with the statement from a spokesman from the propaganda ministry that "nothing is known here."

Pressed for a denial, he said: "How can one deny if nothing whatsoever is known?" He then cautioned against interpreting his remark as a confirmation.

"PURGE" TO WIDEN

The press asserted that the anti-Semitic campaign would be introduced shortly in Slovakia, an autonomous province of Czechoslovakia, which would adopt the "Nuremberg Jew laws."

In Berlin pressure was being applied to collect the assessment costs against the Jews for Nazi riot damage. Rapid Aryanization of Jewish business was also being pushed.

Prime Minister Neville Chamberlain's statement proposing partial solution of the Jewish refuge problem by settlement of Jews in Tanganyika brought instant opposition.

"Strange it is that again Tanganyika, in former German East Africa, was mentioned as a place for the settlement of Jews as though there were no other possibilities in the whole far-flung British Empire," the newspaper Tageblatt said.

"One asks why Chamberlain made only a passing remark regarding British Kenya and remained completely silent regarding Uganda.

"The British government has the right to freely dispose of the two last-named territories, but it is well known that it is the opposite in the case of the mandated territory of Tanganyika."

The Voelkischer Beobachter said that Britain was "finally ready to open ports of the British Empire to Jews and it must be generally welcomed. However, Chamberlain added too manys ifs and whens.

Bulletin

PRAGUE, Czechoslovakia.—(U. P.)—Hungary ordered the expulsion of Czechoslovaks today from the territory she occupied after the dismemberment of Czechoslovakia.

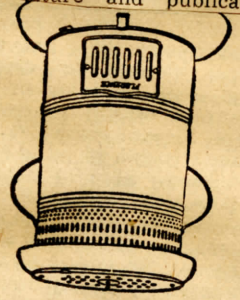
The Slovakian Government retorted by ordering confiscation of Hungarian property within its borders.

France Reveals New Alignment With Germany

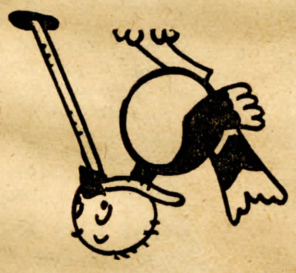
Russian Ties May Be Weakened As European Balance Shifts.

PARIS.—(A. P.)—France and Germany today completed negotiations for a written war renunciation accord.

The signature and publication



THE SMART PEOPLE ARE GONNA GET BIG NEWS IN FRIDAY'S NEWS



20 Per Cent Tax Levied On Jews

BERLIN.— (A. P.) —The German Government ordered a levy of 20 per cent of Jewish fortunes exceeding $2,000 today to pay the $400,000,000 fine imposed for the assassination of Ernst Vom Rath, Paris Embassy secretary, by a Jewish boy.

The decree defining the means of

McMillan declared that some of ne expenses in the recently ap-roved school improvement pro-ram to be done to protect our redit."

Bass said that his idea in offer-ng the resolution was to stimulate he city's credit and that at the nd of the fiscal year the balances vould be used to reduce the float-ng debt. He pointed out that the ity's bonded indebtedness was rowing so large that "something nas to be done to protect our

McMillan, Bass Feud Again

Another tiff between Mayor Ed Bass and Commissioner T. H. McMillan flared up Tuesday following a resolution introduced by Mayor Bass that provided that all surpluses from bond issues be credited to the city's sinking fund after the projects that they were issued for are completed. The city commission passed the resolution.

McMillan tried to amend the move to apply the funds to the floating debt, stating that the money was needed by different departments to operate on, and that the law provided for the distribution of money for the sinking fund.

1:00—News.
1:15—George Griffin, Singer, NBC.
1:30—Nat'l Farm and Home Hour, NBC.
2:15—U. S. Farm Flashes.
2:30—Dance Orchestra.
2:45—Man on Street.
1:00—News.
1:15—Eddie Lee.
1:30—Faithful Words.
2:00—Grand Slam Revue, NBC.
2:30—Hoosier Hop, NBC.
2:45—Between the Bookends, NBC.

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Ala., and several grandchildren.

Funeral services will be held from the chapel of the National Funeral Home at 10 o'clock Wednesday morning and another short service at 12 o'clock at the Harmony Grove Baptist Church, Bridgeport, Ala., the Rev. W. M. Tidwell officiating. Interment at

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Russian Ties May Be Weakened As European Balance Shifts.

PARIS.—(A. P.)—France and Germany today completed negotiations for a written war renunciation accord.

The signature and publication were expected soon, it was said, but the date was not announced.

The disclosure that an agreement had been reached came as Premier Daladier awaited the arrival of Prime Minister Chamberlain for talks which were expected to result in a virtual military alliance between France and Britain.

An authorized government source said simply that the French-German negotiations had come to a successful conclusion.

It was stated that the agreement would have two major points:

1. Official recognition by both nations of the present French-German frontier, meaning that Germany renounces all claim to Alsace-Lorraine.

2. Agreement for consultation in case of difficulties between the two nations rather than a resort to war.

It was disclosed that yesterday's exchange of greetings at Berchtesgarden between Reichsfuehrer Hitler and Robert Coulondre, new French ambassador to Germany, marked the reaching of an understanding to be embodied in the new written accord. The diplomatic speeches contained the main points to be set forth in writing.

TALKS TO BRITAIN

Despite the Franco-German understanding the conversations opening today between French statesmen and Chamberlain and Foreign Secretary Viscount Halifax were expected to draw Britain and France still closer together.

Informed quarters said the meeting, planned as a second step in European appeasement following the "peace of Munich," would be devoted almost entirely to strengthening and coordinating the armies, navies and air forces of the two nations.

It was understood the alliance would be brought about through the redrafting of the military agreement signed last April 29 in London.

The new accord would make instant military aid unconditional, whereas the present pact gives Britain the right to decide in case war resulted from a German attack

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The decree defining the means of collecting the fine in four installments was published in the Official Gazette as the German propaganda machine went into full swing with a warning no mercy would be accorded in writing "the last chapter of the Jewish question in Germany."

The levy is to be imposed on German Jews and those who live in Germany but are without citizenship in other countries. Foreign Jewish citizens are exempt.

The decree stipulates:

"A contribution of 1,000,000,000 reichsmarks ($400,000,000) will be collected from German Jews and those Jews without nationality in the form of a tax levy on their fortune.

"Foreign Jews are exempted from the levy.

"The levy will not be imposed if the entire fortune, after reduction of all liabilities, does not exceed 5,000 reichsmarks ($2,000)."

Payments are to be made to the State treasury. Payments by insurance companies to Jews for damage done their shops and synagogues during the November 10 violence, after Vom Rath's death, are to be turned over to the Government.

These amounts will be accepted as partial payment of the levy. If the insurance payments exceed the 20 per cent levy, however, the entire amount will be confiscated by the Government.

Opening a Winter-long series of anti-Semitic demonstrations, Propaganda Minister Goebbels told 2,000 colleagues at Kroll Opera House last night that the Nazis would persevere until the "Jewish problem is solved—until the Hebrew is driven from German life."

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The new accord would make instant military aid unconditional, whereas the present pact gives Britain the right to decide in case war resulted from a German attack on France's Central European allies.

Chamberlain and Viscount Halifax, British foreign secretary, were expected to arrive in Paris by train shortly before noon (Chattanooga time) and begin their talks with Daladier and Foreign Minister Georges Bonnet immediately.

SPANISH WAR AGAIN

Military cooperation was listed as the primary subject for discussion today and tomorrow. A plan for mediation of the Spanish civil war, the question of aiding Germany's persecuted Jews and the situation in the Far East were other important matters to be taken up.

The French cabinet was called to meet with President Lebrun for a final discussion of France's position before the arrival of the British ministers.

Sources close to the government said it was believed the dropping, or at least readjustment, of the French-Soviet pact would be a necessary condition to Britain's automatic guarantee to France.

Under this pact France would be called upon to attack Germany if Nazi troops committed an agression against Soviet Russia.

France's other treaties were seen as presenting little difficulty. Britain has promised to guarantee the new Czechoslovak frontiers in the same manner as France. The French-Polish mutual assistance pact is generally conceded by Frenchmen to have lapsed.

In the event of a Nazi attack on Rumania, France's other ally, it was believed Britain also would choose to fight in view of the new close cooperation between London and King Carol's government.

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EXTERMINATION?

Das Schwarz Korps, publication of the black-uniformed elite guard, predicted extermination of the Jews.

Both Goebbels and Das Schwarz Korps took note of British and United States sentiment, although there was no immediate reaction to the American note of yesterday asking assurances American citizens would not be affected by decrees ousting Jews from German industry.

Referring to criticism of the anti-Jewish drive by the British House of Commons, Goebbels said pointedly:

"If the English want to conclude a binding friendship with the German people, they should not make this friendship dependent on inner political German circumstances."

(Politicians consider British Government chances for a four-power peace understanding, including France, Britain, Germany and Italy, have been weakened by the resentment against the anti-Jewish drive.)

Establishment of a Jewish State outside Germany was the only way by which German Jews could "be saved from otherwise inevitable extinction," said Das Schwarz Korps.

FRANCE AGREES TO SIGN TREATY WITH GERMANY

WAR REPUDIATED AS AIM

Paris, However, to Seek Firmer Security Pledge in Talk With British

ACCORD MAY HELP JEWS

Chamberlain, Halifax Reach Capital for Conference—Refugee Problem Up

By the Associated Press.

PARIS, Nov. 23.—France agreed on a war renunciation pact with her traditional enemy Germany today and started military "co-operation" talks with Great Britain.

The French-German understanding, paralleling a British-German anti-war declaration signed at Munich Sept. 30, had been awaited as a possible cornerstone on which to build European peace.

The agreement was announced shortly before British Prime Minister Chamberlain and Foreign Secretary Viscount Halifax arrived in Paris for discussions with Premier Daladier and Foreign Minister Bonnet.

These conversations were expected here to result in a more binding military agreement between France and Great Britain. An official said that among other things, the ministers would discuss a plan to aid German Jewish refugees.

War Is Repudiated

Informed sources said the text of the Franco-German accord would be brief, following this line:

First—A simple declaration of non-aggression.

Second—A statement that neither country has any specific controversy with the other and an agreement to submit all future disputes to consultation rather than to threaten each other with war.

The second section would embody mutual recognition of the existing French-German frontier. Germany would thus promise in writing to lay no further claim to Alsace-Lorraine, provinces returned to France by Germany after the World war and the cause of disputes many times in history. Chancellor Hitler made such assurances in addresses during the Czechoslovak crisis.

Although the French-German agreement was a bright element in the European situation, it was pointed out that France could not forego precautionary measures and the extension of collaboration with Great Britain.

May Broaden British Pledge

The French-British military understanding, signed last April 29 in London, was expected to be broadened to pledge unconditional and instant military aid to France whereas the present agreement gives Britain the right to decide what to do in case of a German attack on France.

Diplomatic quarters said successful conclusion of the French-German agreement might ease the German anti-Jewish campaign.

They pointed out that diplomatically the accord has nothing to do with German internal affairs, but added that "perhaps a clearing of the European sky will incite Germany to more humaneness."

FRENCH POLICE FIGHT STRIKERS

Many Hurt as Mobile Guards Oust Workers From Big Renault Auto Plant

PARIS, Nov. 24 (AP).—Mobile guards battled strikers occupying the Renault Automobile works tonight in an outbreak accompanying a wave of strikes which, at the peak, involved more than 74,000 workers.

Dozens were injured on both sides and much of the Paris factory's machinery was reported wrecked before the Renault strikers, estimated to number several thousands, left the plant.

Premier Edouard Daladier assumed complete control of measures to combat the strikes, which were called in opposition to the government's decree law for lengthening the forty-hour week. He ordered 4,000 railroad employes at Valenciennes into military service and told police to clear important Paris factories.

Bar Doors With Tanks

At the Renault plant the strikers had barricaded themselves inside the workshops and barred doors with armored cars and tanks manufactured by the plant.

The guards, commanded by Paris Police Prefect Roger Langeron, charged through back entrances after hurling tear gas bombs through the windows. Inside, a pitched battle developed, with strikers using wrenches and hammers to combat the blows of rifle butts.

Daladier took charge of the anti-strike efforts by virtue of his own position as premier and a special decree by President Albert Lebrun giving him authority to act for Minister of Interior Albert Sarraut, who is on his way back to Paris from Ankara, where he attended President Kamal Ataturk's funeral.

The premier ordered, and mobile guards and police carried out:

First—Requisitioning of 4,000 railroad workers at the Anzin mines, near Valenciennes, for military service tomorrow to assure the transport of coal and protection of the pits.

Second—Clearing of plants in the Paris region where occupation strikes broke out this afternoon. At the height, there were more than 32,000 strikers here, but most of the workers tonight had left the plants.

Third—Clearing of twenty-five factories in the northern region, where 12,000 workers were engaged in "stay-in" strikes. This left 30,000 other strikers still occupying plants, mines and railroad yards.

The premier still faced a new strike of 25,000 coal miners in the Valenciennes region, called for tomorrow night.

Representatives of the miners voted to call the strike to demonstrate their sympathy with striking metal plant employes.

They decided the pits should not be occupied, confining the demonstration to a simple refusal to work.

Daladier's office issued a statement saying "all measures necessary to force respect of public order have been taken."

On Daladier's direct orders before he began conferences here with British Prime Minister Neville Chamberlain and Foreign Secretary Viscount Halifax, extra units of mobile guards were rushed to the Lille-Valenciennes area to assist in clearing out strikers opposed to extension of the forty-hour week.

NAZIS TO SIGN PARIS ACCORD

Von Ribbentrop Schedules Trip to France—Hitler Confers With Carol

BERCHTESGADEN, Germany, Nov. 24 (AP).—Reichsfuehrer Adolf Hitler's approval of the proposed Franco-German peace declaration was seen tonight in the announcement that Foreign Minister Joachim von Ribbentrop probably would start "within the next few days for Paris" to sign the agreement.

(In Berlin, sources close to the foreign office and Von Ribbentrop planned to go to Paris Monday night and stay two days.)

The announcement was made after a conference of the two leaders, which followed receptions by Hitler of distinguished foreign guests, Oswald Pirow, minister of defense of the Union of South Africa, first and then King Carol and Crown Prince Mihai, of Rumania.

German political circles said that the desire for the declaration, announced yesterday in Paris as imminent and similar to the Anglo-German declaration made Sept. 30 by Hitler and British Prime Minister Neville Chamberlain, was first expressed on the French side.

Before he settled down with Von Ribbentrop for discussion of the proposed draft, Hitler conferred for an hour with Pirow and was with King Carol for three hours.

British Relations Discussed

Hitler and Pirow were stated to have discussed a number of general problems, including relations between Germany and Great Britain.

Pirow's European trip, which so far has taken him to Portugal, England and Germany, was described as an informal tour of private character for information.

It became evident, meanwhile, that Pirow was not coming to talk about the colonial question.

After conferring with Hitler, he had luncheon with Dr. Hans Heinrich Lammers, chief of the reichschancellery, as King Carol arrived aboard a special German government train with his party and lunched with Hitler.

The fuehrer and the king then conferred while the other Rumanian guests, including Carol's court marshal, two adjutants, two of his Hohenzollern cousins from the Sigmaringen branch of the family, and Mihai, were taken on an automobile tour through the Bavarian Alps.

It was announced that "detailed discussions" took place during the conference.

These discussions were concerned with problems of central and southeastern Europe, it was stated, and especially with German-Rumanian relations.

Debt may be created up to $500,000 for a "temporary dificit."

The governor is empowered to borrow up to $3,000,000 for payment of public schoolteachers, but such money must be paid back out of school appropriations.

Otherwise a constitutional provision of 1877 applies:

"No debt shall be contracted by or on behalf of the state, except to * * * repel invasion, suppress insurrection and defend the state in time of war, or to pay the existing

By the Assoc

BERLIN, Nov. 24.—Jewish leaders expressed fears tonight that a $400,000,000 government levy against Jews would make their emigration virtually impossible in the next nine months.

Another sequel to anti-Semitic outbursts following the assassination of a German diplomat in Paris by a young Jew was the announcement of Raefael Garamillo, Colombia's minister-designate to Germany, that he had been recalled as a result of an incident during the violence two weeks ago.

Field Marshal Hermann Wilhelm Goering, meanwhile, told thirty-six nazi district leaders that he would hold them personally responsible for any extra-legal action against Jews. Sources close to Goering said he explained to the party leaders, who were called to Berlin to consider the economic situation, that the time for street action against Jews was over and that anti-Semitic decrees which had been issued were regulating the "Jewish problem."

Propaganda Minister Paul Joseph Goebbels likewise called a meeting of his district propaganda leaders to discuss the Jewish question.

The meeting called by Goering was secret, but it was presumed the widespread destruction of Jewish property Nov. 10 and its effect on the four-year plan and foreign trade was the chief topic.

Responsible Jewish quarters were extremely worried after studying a decree issued yesterday by which the

Daladier took charge of the anti-strike efforts by virtue of his own position as premier and a special decree by President Albert Lebrun giving him authority to act for Minister of Interior Albert Sarraut, who is on his way back to Paris from Ankara, where he attended President Kamal Ataturk's funeral.

The premier ordered, and mobile guards and police carried out:

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Representatives of the miners voted to call the strike to demonstrate their sympathy with striking metal plant employes.

They decided the pits should not be occupied, confining the demonstration to a simple refusal to work.

Daladier's office issued a statement saying "all measures necessary to force respect of public order have been taken."

On Daladier's direct orders before he began conferences here with British Prime Minister Neville Chamberlain and Foreign Secretary Viscount Halifax, extra units of mobile guards were rushed to the Lille-Valenciennes area to assist in clearing out strikers opposed to extension of the forty-hour week.

NAZIS TO SIGN PARIS ACCORD

Von Ribbentrop Schedules Trip to France—Hitler Confers With Carol

BERCHTESGADEN, Germany, Nov. 24 (AP).—Reichsfuehrer Adolf Hitler's approval of the proposed Franco-German peace declaration was seen tonight in the announcement that Foreign Minister Joachim von Ribbentrop probably would start "within the next few days for Paris" to sign the agreement.

(In Berlin, sources close to the foreign office and Von Ribbentrop planned to go to Paris Monday night and stay two days.)

The announcement was made after a conference of the two leaders, which followed receptions by Hitler of distinguished foreign guests, Oswald Pirow, minister of defense of the Union of South Africa, first and then King Carol and Crown Prince Mihai, of Rumania.

German political circles said that the desire for the declaration, announced yesterday in Paris as imminent and similar to the Anglo-German declaration made Sept. 30 by Hitler and British Prime Minister Neville Chamberlain, was first expressed on the French side.

Before he settled down with Von Ribbentrop for discussion of the proposed draft, Hitler conferred for an hour with Pirow and was with King Carol for three hours.

British Relations Discussed

Hitler and Pirow were stated to have discussed a number of general problems, including relations between Germany and Great Britain.

Pirow's European trip, which so far has taken him to Portugal, England and Germany, was described as an informal tour of private character for information.

It became evident, meanwhile, that Pirow was not coming to talk about the colonial question.

After conferring with Hitler, he had luncheon with Dr. Hans Heinrich Lammers, chief of the reichschancellery, as King Carol arrived aboard a special German government train with his party and lunched with Hitler.

The fuehrer and the king then conferred while the other Rumanian guests, including Carol's court marshal, two adjutants, two of his Hohenzollern cousins from the Sigmaringen branch of the family, and Mihai, were taken on an automobile tour through the Bavarian Alps.

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These discussions were concerned with problems of central and southeastern Europe, it was stated, and especially with German-Rumanian relations.

Colombia Recalls Mini From Germany in P

Envoy-Designate Packs Up Without Papers After Affront in Anti-Semitic New Tax May Block Jewish Emigr

By the Assoc

BERLIN, Nov. 24.—Jewish leaders expressed fears tonight that a $400,000,000 government levy against Jews would make their emigration virtually impossible in the next nine months.

Another sequel to anti-Semitic outbursts following the assassination of a German diplomat in Paris by a young Jew was the announcement of Raefael Garamillo, Colombia's minister-designate to Germany, that he had been recalled as a result of an incident during the violence two weeks ago.

Field Marshal Hermann Wilhelm Goering, meanwhile, told thirty-six nazi district leaders that he would hold them personally responsible for any extra-legal action against Jews. Sources close to Goering said he explained to the party leaders, who were called to Berlin to consider the economic situation, that the time for street action against Jews was over and that anti-Semitic decrees which had been issued were regulating the "Jewish problem."

Propaganda Minister Paul Joseph Goebbels likewise called a meeting of his district propaganda leaders to discuss the Jewish question.

The meeting called by Goering was secret, but it was presumed the widespread destruction of Jewish property Nov. 10 and its effect on the four-year plan and foreign trade was the chief topic.

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Jewish fine will be collected in four installmnts ending Aug. 15, 1939.

The penalty is a 20 per cent. levy on fortunes exceeding $2,000 and was announced Nov. 12 by Goering, head of the four-year economic plan, in retaliation for the slaying of Ernst vom Rath, Paris embassy secretary, by Herschel Grynszpan.

A number of small children, 1,500 of whom will be accepted by The Netherlands, were happier tonight than their parents. First applications for this special emigration were taken at The Netherlands legation today. Jews said the 1,500 quota would be filled quickly.

But factors making difficult the emigration of others included the difficulty of men among the 60,000 estimated to be in concentration camps to meet the installments, hardships involved in getting ready cash from property to pay the fines and the possibility of being forced to let property holdings go for little in order to get money. All payments must be made before an individual is allowed to emigrate.

The Colombian envoy packed his bags and left without having presented his credentials. He said his post would be left vacant for the time being as a protest.

The incident causing the recall occurred Nov. 10 when he and his staff drove about Berlin in a legation automobile. The first secretary, R. Rocha-Schloss, took photographs of burning

COLOMBIA RECALLS ENVOY FROM REICH

From Page One

synagogues and smashed store windows before dozens of policemen surrounded the car and tried to seize the cameras.

Garamillo protested but he said policemen told him his diplomatic status meant nothing in the case. Finally the minister-designate went with police to the foreign office, where he said he was told the police had done their duty and would not be reprimanded.

A later written protest to the foreign office went unanswered, Garamillo said, and Rocha-Schloss was told Chancellor Hitler had postponed indefinitely his reception of Garamillo, set for Nov. 15.

Jews pointed out the theory behind the government's 20 per cent. tax on Jewish wealth came nearer to estimating the true amount of Jewish property than have earlier official figures of 7,000,000,000 or 8,000,000,000 marks ($2,800,000,000 or $3,200,000,000).

That the levy plus the fact that insurance requisitioned by the government is to be applied to the 1,000,000,000-mark ($400,000,000) fine was taken to indicate government tax experts believe Jewish wealth to be between 2,000,000,000 and 3,000,000,000 marks ($800,000,000 and $1,200,000,000).

If the wealth is 3,000,000,000, the government theoretically would get 600,000,000 marks from the 20 per cent. fine, leaving 400,000,000 to be made up from insurance on property destroyed in the anti-Jewish wave.

SUICIDES AMONG JEWS INCREASE IN GERMANY

BERLIN, Nov. 24 (AP).—Suicides among Jews were reported increasing today before the mounting intensity of the nazi anti-Semitic drive.

There were no figures, but those who told of the suicides said they included husbands who chose death as the best way to guard against further hardships for non-Jewish wives.

HOARE ASSERTS PEACE WITH REICH STILL VITAL

CAMBRIDGE, England, Nov. 24 (AP). Sir Samuel Hoare, secretary for home affairs, said today Britain must cling to the aim of Anglo-German peace despite the "setbacks" caused by Germany's treatment of Jews.

At the same time, however, he apparently further closed the door to the return of Germany's former African colonies. He hinted at a broad scheme of self-government for Africans and declared Britain must resist any attempt to "impose Europe on Africa."

The home secretary did not differentiate between former German colonies and Britain's other African "dependencies" in his speech before the Cambridge University Conservatives association.

Thus he left the impression that he was talking about both.

Sir Samuel frankly admitted that the "plight of Jewish refugees" was an obstacle to Prime Minister Chamberlain's after-Munich appeasement policy.

Nevertheless he declared that "on no account must we fall from the height of exultation to which the world was lifted by the Munich peace to the slough of despond in which there is no hope."

30 Hurt in Anti-Jewish Riot

JOHANNESBURG, Union of South Africa, Nov. 24 (AP).—Thirty persons were injured today when a fascist meeting turned into an anti-Jewish riot.

A crowd which has attended the meeting chased Jews through streets, shouting "Down with Jews." Police restored order with tear gas.

Of those injured, two were shot and one was stabbed.

LONDON, PARIS RENEW PLEDGE OF FRIENDSHIP

Assurances Tie the Nations Together in Plan Similar to Rome-Berlin Axis

REACH DEFENSE ACCORD

Agreement for 'Preservation and Consolidation of Peace' Announced

By the Associated Press.

PARIS, Nov. 24.—France and Great Britain affirmed publicly tonight their complete accord on national defense and diplomatic collaboration "for the preservation and consolidation of peace."

This display of strong French-British friendship tied the nations together in a manner similar to the Rome-Berlin axis.

By their assurance of mutual cooperation and unity of purpose, the British and French reinforced the bond started by Premier Daladier's first diplomatic trip to London, which brought a military understanding, April 29.

It was strengthened by the summer visit of King George and Queen Elizabeth to Paris, and further heightened by close collaboration during the Czechoslovak crisis and negotiations leading to the peace of Munich.

He added: "The classificiation of Americans into Irish-Americans or Italian or German or Polish or Russian or Czech-Americans does not mean that these people are unabsorbed aliens.

"Our foreign-born citizens by and large are Americans before anything else.

"This almost unique social phenomenon is, I feel sure, due to the fact that the constitution of the United States has in reality and in fact shown its recognition of the basic sacredness * * * of individual personality of liberties and rights that flow from it by the will of the Creator."

NAZIS BAN JEWS IN HANDICRAFTS AND SEIZE GOODS

ANTI-RED PACT MARKED

Economic Pressure Used on Aryans to Divorce Their Jewish Wives

U.S. SENDS ANOTHER DUN

Note on Austrian Bonds Is Said to Have Insisted Debt Is Germany's

By the Associated Press.

BERLIN, Nov. 25.—The nazi government added two more regulations today to its campaign against Jewish business.

One provided that Jews be dropped from the roster of registered handicraftsmen.

The other was that stocks of Jewish retail shops, to be liquidated before Jan. 1, are to be handed over to various governmental trade departments or public receivers in bankruptcy.

And, while Japan, Germany and Italy observed the anniversary of their anticommunist pact and Germany and Japan reached an accord on cultural co-operation, economic pressure was being applied to have Aryans divorce Jewish wives on penalty of losing their jobs.

Companies Warn Employes

Instances were known of "unofficial representations" made by big concerns to Aryan employes that it would behoove them to divorce Jewish wives.

Official confirmation was lacking for reports that a decree was being contemplated compelling the dissolution of so-called mixed marriages.

Other developments today included:

First — A declaration by Foreign Minister Joachim von Ribbentrop that the German-Japanese-Italian anti-communist pact had checked communism in Spain, China and Czechoslovakia.

Second—Transmission by the United States embassy of a note to the German government concerning Austrian bonds, the main part of which involves $24,055,708.92 due the United States for flour and other foods sold Austria just after the World war. The contents were not divulged, but it was believed the note rejected a German communication, likewise unpublished, last Monday. (In Washington it was reported the United States insisted Germany must assume the Austrian debt.)

Third—The interpretation that a new order by Field Marshal Hermann Wilhelm Goering against further anti-Jewish street actions meant that foreign boycotts were cutting seriously into German trade.

Was in Hypnotic State, Vom Rath Slayer Says

PARIS, Nov. 25 (AP).—Herschel Grynszpan, the 17-year-old Polish Jew who fired the shot that set off Germany's latest anti-Semitic drive, told a Paris magistrate today that he was in "a state of hypnosis" when he fatally wounded Ernst vom Rath, German legation secretary, on Nov. 7.

He spoke in a hearing in which his uncle and aunt, Abraham and Chana Grynszpan, were ordered to stand trial next Tuesday on charges of sheltering him despite the fact he had been ordered expelled from France.

The youth, a refugee from Germany, was reported to have appeared dazed and extremely nervous during the closed hearing.

CRISIS NEARING FOR DALADIER

Unions Call General Strike—Premier Plans to Take Over Affected Plants

PARIS, Nov. 25 (AP).—Premier Edouard Daladier tonight countered a rapidly growing strike movement directed against him by preparing the government to take over affected industries "in case of need."

The premier acted swiftly and defiantly at the end of a critical day, which saw the socialist deputies demand his resignation and the General Confederation of Labor call a twenty-four-hour nation-wide general strike of its 5,000,000 members for next Wednesday.

Both moves were in protest against Daladier's decree laws which, among other things, suspended the forty-hour week.

With armed mobile guards and police maintaining order among the country's more than 100,000 strikers, the premier fought back at his labor foes by issuing a decree authorizing the minister of public works to requisition strike-paralyzed mines and industries in the north of France "in case of need." The decree will become effective with publication in the official journal, probably tomorrow.

To Assume Operation

A government spokesman also let it be known that Daladier had taken steps to assure operation of all the nation's public services on Wednesday, the day of the general strike.

The National Federation of Railroad Workers already had announced its workers would join the general strike. Daladier's conference, however, indicated he plans to mobilize all railroad workers and send them to work as soldiers instead of as paid employes in order to keep the railroads running.

Some sources indicated the regular army might be called upon to operate some of the public services.

During the day the premier used armed mobile guards and police to eject sit-in strikers from factories both in the north and in the Paris region. He was determined to enforce his decree laws, the immediate cause of the internal crisis.

Socialist deputies of the chamber—the largest single group of the lower house—called for the premier's immediate resignation.

This action and the general strike call constituted two blows which, if Daladier should decide to try to remain in power, will force him to depend upon rightists for the life of his government.

Nazis Will Become 'Pawnbrokers' To Set Own Price on Jewish Goods

By the Associated Press.

BERLIN, Nov. 26.—Nazi financial officials established a special "pawnbrokerage" office today to buy, at their own final evaluation, jewels and other art objects from Jews.

Some Jews, short of ready cash, need money for emigration. Others need it to pay their share of the $400,000,000 fine the nazis levied against Jews for the slaying of the German diplomat, Ernst vom Rath, by a young Polish Jew in Paris.

Objects that will be offered for sale to the government doubtlessly will include priceless heirlooms that have been in Jewish families for generations—comparable to the precious articles Russian aristocrats sold after the bolshevist revolution.

The office probably will begin operations next week, it was learned, under the chamber of industry and commerce, acting on orders from the economics ministry. Government experts are to be appointed as appraisers.

They were expected to face the problem soon after business begins of what the government should do with the Jewish valuables after it buys them, so as to avoid overloading the market.

It was intimated precious metals like gold could be melted down and added to the gold reserves. Another possibility was to offer the objects whenever a foreign market gave indications of good prices.

How much property emigrating Jews will be permitted to take with them remained problematic.

Jewish circles feared there would be practically nothing left for most emigrants after selling their belongings for whatever they can get to obtain cash to pay regular taxes, the "flight" tax on emigrants and their shares of the $400,000,000 fine.

Jewish leaders pointed out that figures regarding Jewish fortunes were based on many factors which have changed since—such as the evaluation of business enterprises when they were going concerns before the anti-Jewish violence after Nov. 10, the investment in goods and wares and the value of real estate.

One Munich Jew, for instance, received 18,000 marks ($7,200) for real estate valued at 100,000 marks ($40,000). Hence, he failed to realize enough from its sale to pay his share of the fine. According to earlier figures given the government regarding his property, he has to pay 20 per cent. of the 100,000 marks, or $8,000.

All Jewish student loans were canceled and repayment ordered within two weeks. All hunting licenses held by Jews were ordered canceled by Field Marshal Herman Wilhelm Goering, acting in his capacity of national master of the hunt.

Newspapers were alert for evidence of a more favorable reaction toward Germany in other countries.

Nachtausgabe reported from New York that United States Ambassador Hugh R. Wilson, recalled from Berlin for "reports and consultation," conferred only fourteen minutes yesterday with Secretary of State Hull before the latter departed for Lima, Peru, to attend the Pan-American conference.

The newspaper inferred Wilson could hardly have said anything very bitter about the anti-Jewish violence here Nov. 10 in the brief time between his arrival in New York and Secretary Hull's departure.

The paper also quoted Ambassador Wilson's secretary as saying Wilson's return to Berlin was scheduled soon.

U.S. AMBASSADO[R] TO REICH HOME TO BE INDEFINITELY; DEBT LAPSE IS PROTESTED

New Attacks in Nazi Press Score Jewish Sympathizers

Germans Who Frown on Anti-Semitic Campaign May Be Included in Widening Drive—Hundreds of Landlords Ousting Jews From Their Homes

By the Assoc[iated Press.]

BERLIN, Nov. 26. — Nazi anti-Semitism was extended today by sharp attacks on those who sympathize with Jews.

"These creatures, these friends of Jews, these servants of Jews deserve no other treatment than that accorded Jews themselves," the Nuremberg newspaper Fraenkische Tageszeitung declared.

The Westdeutscher Beobachter, of Cologne, maintained that "our fellow-citizens must not commiserate where commiseration is out of place; the elimination of the Jew from our life must be carried to the bitter end."

Some observers believed these attacks were the beginning of a wider campaign against Germans who think nazi treatment of Jews unworthy of German traditions.

Letters kept piling up in foreign consulates, meanwhile, indicating hundreds of landlords were ousting Jews from their homes.

Propaganda Minister Paul Joseph Goebbels' newspaper Der Angriff reported approvingly how a Jewess was evicted and her four-room apartment made available to an Aryan family of seven.

There were other restrictive measures:

Indigent Jews were forbidden under an interior ministry decree to seek aid from public welfare bureaus, but must turn to Jewish agencies.

SHARP NOTE SENT NAZIS

Other Nationals Are Paid on Austrian Claims, Berlin Reminded

WILSON GOES TO F.D.R.

Envoy Is Kept in America to Advise on Strained Ties With Germany

By the Associated Press.

WASHINGTON, Nov. 26.—Signs of strained relations with Germany multiplied today when the state department assigned its ambassador to Berlin to an indefinite tour of duty in Washington and published new protests against nazi treatment of American creditors.

Sumner Welles, acting secretary of state, announced that Ambassador Hugh Wilson, who returned here today from Berlin on his way to confer with President Roosevelt at Warm Springs, Ga., had been assigned to the department as an adviser on relations between the two countries. Other officials said later that the assignment, while for an indefinite period, was a temporary one.

Thereafter the department disclosed that the United States embassy in Berlin had complained to the German government yesterday against "acts or policies of foreign governments which discriminate against American creditors and give foreign creditors more favorable treatment than Americans."

Other Creditors Being Paid

This referred to the fact that Germany has not continued service on Austrian debts outstanding in this country when Austria became a part of the reich. An exchange of notes published by the department said Germany already was making payments on Austrian obligations to creditors in Great Britain, France and some other nations.

The German government, in a note of Nov. 17, said that while it had been possible to recognize and pay certain Austrian obligations in those countries because of Germany's favorable trade balance with them, it had been impossible to make any American arrangement because of unfavorable trade relations.

The reich is on the United States' economic "blacklist," being deprived of tariff concessions granted other countries because she allegedly discriminates against American goods.

Ambassador Wilson, who conferred with officials here briefly before his scheduled departure at midnight for Atlanta en route to the "Little White House," told reporters he could make no statement as to the purpose of his visit or probable length of stay in the United States until after he had seen the president. He came home at the president's request for report and consultation, leaving Mrs. Wilson in Berlin.

Increasingly Sharp Notes Sent

Today's publication of notes regarding the Austrian debt question disclosed the United States now has addressed four increasingly pointed notes to Berlin since Germany absorbed Austria and suspended service on Austrian debts and bonds in this country without recognizing responsibility for paying those obligations.

The third note, sent Oct. 19, warned Germany that if the uncertainty of the debt situation continued it would be "certain to intensify a feeling of injustice and discrimination." It brought a preliminary German reply in which it was stated the question was being studied, but that no way had been found to pay American creditors as yet.

It was to this German note that the

See Page Two, Column Six

ENVOY TO GERMANY WON'T RETURN SOON

From Page One

American embassy in Berlin replied yesterday.

About $50,000,000 is believed involved in the bonds and obligations of the old Austrian government and its municipalities and subdivisions. No understanding has yet been reached, although Germany has not formally renounced her obligation to assume some of these debts.

In July, however, Germany orally informed Ambassador Wilson, then still in Berlin, that the government "supported by historical procedures, took a generally negative stand with regards to the debts of the Austrian government, since they were brought about in order to support the incompetent Austrian state artificially created by the Paris treaties."

Austrian government bonds fall into two categories and cover money owed for food shipped to starving Austrians in 1920 and for further credit extended in 1930 to bolster the Austrian financial structure. In addition there are some private obligations to American individuals.

VIENNA CLAIMS JAPAN HELPING AGAINST JEWS

Report Says Contracts With Semitic Music Teachers Annulled by Tokyo

By the Associated Press.

BERLIN, Nov. 27.—A reliable source in Vienna said today an undisclosed number of Austrian Jewish musicians engaged to teach at the music conservatory in Kobe, Japan, suddenly had their contracts annulled by the Japanese government.

The disclosure followed by two days the signing at Tokyo of a German-Japanese accord on cultural co-operation on the anniversary of the Japanese-German-Italian anticommunist pact.

Here, the problem of havens for Jews still was pressing. One group of Polish Jews who had been released from custody on the understanding that they would leave the country were arrested again because Poland refused to admit them. Some young Jews left for Liberia.

Eighty Vienna Streets Renamed

The process of erasing all traces of Jewish influence continued with the removal of signs from eighty Vienna streets named for Jews as well as of statuary and other commemorations of once-honored Jews.

Among those of whom memory is to be eradicated were Joseph von Sonnenfels, who was responsible for the abolition of torture as a method of police investigation, and Siegfried Marcus, Austrian automobile inventor. A bust of a member of the Rothschild banking family was taken down from a Vienna railroad station.

A tabulation of Jews' wealth, published in the Vienna edition of Reichsfuehrer Hitler's own newspaper, Voelkischer Beobachter, set it at about 8,000,000,000 marks ($3,200,000,000) for all Germany. Of this, 2,295,000,000 marks ($918,000,000) was said to be owned in Austria, indicating that, per capita, Austrian Jews were about three times as wealthy as those in the rest of Greater Germany.

The Voelkischer Beobachter said 102 Austrian Jews were millionaires. The largest individual Jewish fortune, it said, was 26,000,000 marks (about $10,000,000), so that after paying the 20 per cent. assessment for the assassination of Ernst vom Rath, its owner would have more than 20,000,000 marks ($8,000,000) left.

Ejection of Jewish tenants from apartment houses, reported by extremist nazi organs to be imminent, apparently will raise knotty problems until existing laws for protecting tenants have been revised.

Jews gradually are being forced out of smaller towns and villages of Bavaria, some of them of families that had lived there for centuries.

The Vienna edition of the Voelkischer Beobachter continued the nazi press attacks on the United States.

"Evidently it has become dangerous for Americans in America to say what they think lest they displease Jews," it commented in an editorial.

"Perhaps the slogan, 'America for Americans,' will be changed to 'America for Jews.'"

Radio speeches of the Rev. Charles E. Coughlin have attracted considerable attention and he has been singled out for high praise as a "courageous cleric."

Daladier Calls Troops to Halt Strike Threat

Public Services Placed Under Strict Military Control.

(Compiled from Associated Press and United Press cable dispatches.)

Labor-Government conflict in France, where the deadline of a twenty-four-hour general strike was approaching, overshadowed temporarily today the wars in Spain and China and claimed anxious attention throughout Europe.

Troops marched into strategic centers and all public services were placed under military control by the Daladier Government attempting to head off the twenty-four-hour protest strike set for 4 a.m. tomorrow.

"The fate of the regime and nation may be at stake," asserted Premier Daladier as he studied new means to prevent threatened paralysis of the nation's transportation, communications, public utilities and a large part of industry by the walkout called by the powerful General Confederation of Labor.

BRUSSELS.— (U. P.) —Premier Paul Henri Spaak announced in the Senate today that Belgium plans to press a program calling for mediation of the Spanish civil war by Belgium, Great Britain and France.

With 30,000 metal workers of Lille and Valenciennes already on strike, the federation's general strike is designed as a protest against Government decrees which permit abandonment of the forty-hour week and raise taxes.

TO USE OLD DEVICE

To combat the movement Daladier prepared to mobilize workers under a wartime emergency measure which would force them to continue work under military rule, a device the labor confederation contends is illegal.

The London News-Chronicle said it had learned that Germany was secretly mobilizing 110,000 soldiers. The report could not be confirmed.

The newspaper said it believed the mobilization was in connection with Polish-Hungarian claims on Ruthenia, autonomous province of Czechoslovakia. Germany opposes their desire to take over Ruthenia so they will have a common border.

SIX DIVISIONS MOBILIZED

Six divisions have been mobilized already and it was estimated that three more would be mobilized by the end of the week, the News-Chronicle said. The nine divisions will total 110,000 men.

While Europe watched the apparent domestic crisis in France, a new incident occurred on the borders of Britain's Far Eastern colony of Hongkong where eleven Chinese were killed on British soil by Japanese troops.

Heavy frontier guards were established at once.

The Dominion of Canada, Defense Minister Ian MacKenzie said in a speech last night, is concentrating on aerial defense now because "the historic barriers of water and ice no longer protect us."

He said air bases, naval patrols and coast fortifications now under way would make Victoria one of the six "best-fortified places in the world" and that similar defenses were being constructed on the Atlantic coast.

RUMANIAN TROOPS CALLED

Troops were thrown around the city of Cluj, Rumania, because of an attempt to assassinate Dr. Francis Stefanescu-Goanga, a liberal and a former Minister of Public Instruction.

Simultaneously the Rumanian Government began rounding up former members of the outlawed "Iron Guard," a Fascist, anti-Semitic organization, as the result of anti-Jewish outbreaks at Timishoara, Cernautzi and Cluj.

Dr. Stefanescu-Goanga was shot down in the street. Two bullets struck near the heart and physicians said his recovery was doubtful. A detective accompanying him was killed by the assassins, believed to be students.

While both land armies were reported inactive along the Spanish war fronts, Nationalist air attacks continued along the east coast.

GERMAN JEWS LOOK TO F.D.R.

See Unspeakable Future if Lima Meeting Fails to Act in Their Behalf

BERLIN, Nov. 28 (AP). — Fervent hopes are expressed by leaders of German Jewry that President Roosevelt will be able to persuade the forthcoming Pan-American conference at Lima, Peru, to take immediate generous action in behalf of German Jews.

These leaders say immediate action is a compelling necessity. They insist that unless aid comes quickly the tragedy of the Jews will be unspeakable. They envision not only misery, but the possibility of disease, mass suicides and even a criminality born of desperation.

At the central emigration office erected by the Jewish community threats of suicide are made daily, the Jewish leaders declare.

Arrests Continuing

Jewish quarters heard from various parts of Germany today that arrests of Jews continues. Many who stayed hidden away from their homes during the arrest wave of Nov. 10 now are being rounded up quietly, reports said.

The Jewish sympathizers in academic ranks will be treated like Jews is foreshadowed in the current issue of Die Bewegung, nazi university organ.

"Any professor who thinks he cannot get along without Jewish co-workers—this includes private secretaries, private assistants and collaborators on periodicals—will be the target of our relentless attacks," said the paper. "We will place him on the same plane with the Jew and treat him like a Jew."

Jewish leaders made it plain they felt President Roosevelt must make the first move in their behalf.

Look to F. D. R. for Beginning

"Europe is looking to President Roosevelt to make a beginning," one said. "Premier Daladier, of France, for instance, is willing to take 10,000 Jews into France provided other countries make their contribution.

"Various British dominions and colonies seem ready for generous action, but again with the stipulation that some one else makes a beginning.

"Thus everywhere there is a willingness to do something provided some one else does his bit first. Energetic action by President Roosevelt at this time would set the machinery in action."

From Danzig there came reports of large-scale raids upon Jews during the past few days. In the municipality of Zoppot all Jewish homes, including boarding houses and hotels, were searched and those who could not prove they had regular jobs and Jews without passports were pushed across the Polish border.

FRENCH UNIONS DEFY WARNING AGAINST HALT

Government Employes to Join Labor Stoppage Despite Threat to Their Jobs

OTHER GROUPS RESPOND

Workers Flock to Movement Designed as a Protest to Daladier's Measures

By the Associated Press.

PARIS, Nov. 28.—Rising labor support tonight threatened to paralyze France by a nation-wide one-day general strike Wednesday, despite firm counter-measures of Premier Edouard Daladier.

Unions of government employes, including 520,000 railroad workers and totaling in all 950,000 public servants, defied orders from their cabinet ministers to disregard the strike call.

The general confederation of labor has called its 5,000,000 members to strike Wednesday in protest against the government's new decree laws, which suspend the forty-hour week and impose new taxes.

The General Federation of Federal Employes told its members flatly to "join the strike" in the face of a warning from Premier Daladier himself that they would be subject to dismissal if they halted work.

Special Decree Announced

In addition the government, already empowered to requisition the nation's railway workers, late tonight announced that a special decree, which would allow requisitioning under military supervision of all public service employes, would be published in the official journal tomorrow morning.

The new "mass decree" authorized the government to call back to work Wednesday all striking workers in all public services, such as subway and bus lines and electric and gas plants.

The new decree specifies that workers do not have to be notified individually, but that posters would be put up when officials decide to make the order effective.

Military officials said the requisitioning of public service employes would proceed as follows:

Army authorities would be placed in charge of the companies affected and take over supervision of operations.

Subject to Court Martial

If the workers, then working for the army in the interest of national defense, refused to perform their duties or disobeyed orders they would be subject to trial by military courts.

If the regular workers chose to strike and run the risk of court martial, the army could replace them with soldiers who would take over the actual job of driving engines, shoveling coal, selling tickets.

The ministry of national defense would be in direct command of the public services after the requisition order became effective. The ministry of public works, normally charged with operation of the railroads, would hand over that responsibility to the ministry of national defense.

The truck drivers' union joined the one-day strike movement, ordering all drivers except those engaged in delivering milk and perishable goods to observe the strike order.

Postal employes accepted the challenge of the minister of posts and telegraph, Jules Julien, who said the nation's postoffices would remain open. They declared bluntly, "We will be unanimously beside the working classes and in the front of the combat."

Teachers to Demonstrate

Likewise, the country's schoolteachers, in direct opposition to Minister of Education Jean Zay, said they would demonstrate Wednesday their solidarity with the nation's workers.

Paris subway and bus line employes, following the lead of railroad workers, voted to join the strike. The government warned they would be requisitioned under military supervision if they did.

A new rise of working-class approval of the general strike order followed renewed instructions from the General Confederation of Labor for every worker to quit work Wednesday.

Unions which previously had signified their intention of disregarding instructions were being induced to join the strike by labor organizers.

From throughout the country came reports of union meetings approving the strike call. Dockers in southern seaports pledged their participation. Printers in Paris, supported by newspaper linotype operators, agreed to strike to prevent newspapers from publishing Wednesday.

The tax drivers' union said that all but a few private chauffeurs would strike.

Cafe Workers, Too

The cafe and hotel workers' union, which includes waiters, cooks, chambermaids and bellboys, threw its support behind the general strike, foreshadowing a tie-up of restaurants and hotels.

The Union of Municipal Employes in Paris, which comprises police, firemen, street sweepers, garbagemen and ash haulers as well as office employes, ordered "complete cessation of work except for services for the public health."

The exception applies to hospitals, public dispensaries and funeral opera-

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DALADIER DEFIED BY FRENCH UNIONS

From Page One

tors. Reduced fire and police forces will be allowed.

The artists and musicians' union, revoking a former decision, ordered its members to halt work in all theaters, movies, restaurants, cabarets and radio stations.

Daladier's threat of dismissal of federal employes who strike was contained in a telegram sent to all departmental prefects. He said, "Cessation of work by public employes would constitute a grave error," and that "that error would expose those who commit it to dismissal."

JEWS OF REICH END OWN LIVES

Suicides Increase as 'Ghetto' Laws Are Decreed—Nazi Press Attacks America

BERLIN, Nov. 30 (AP).—A wave of Jewish suicides was reported by responsible persons today to have spread throughout Germany as the nazis decreed new "ghetto" measures.

Rabbis worked overtime conducting funerals. They and other authoritative sources were forbidden to disclose how many killed themselves or died suddenly from causes attributed directly to anti-Jewish actions.

Police in all parts of Germany were empowered by a new order to forbid Jews to appear in certain districts or leave home at certain times.

A new attack on the United States was opened by the newspaper Fraenkische Tageszeitung, organ of strongly anti-Jewish Julius Streicher, nazi leader of Franconia.

Land of "Strip Dancers"

The newspaper called the United States a "land of lynch justice, kidnaping, false prophets and strip dancers" and added:

"While America mixes in the most violent manner in the inner affairs of Germany and laments over the Jews without helping them, it forgets completely to tend to its own affairs. They are dirty enough and we all have reason enough to remind them."

Official hindrances to Jewish emigration continued. A new decisive measure required Jews to get special identification cards before Jan. 1. These will serve to distinguish them from the rest of the population and must carry as first names the prescribed Israel for males and Sarah for females.

The official gazette printed the "Jewish curfew" measure under the heading: "Police order regarding the appearance of Jews in public."

The regulation declared "the proper provincial police departments" may forbid German Jews or Jews without nationality to appear in definite districts or to leave their homes at definite times.

Violations may be punished by fines up to 150 marks ($60) or imprisonment up to six weeks. It was explained the order provided a "legal basis" for a decree forbidding Jews to appear on the streets during eight hours on the day of national solidarity, Dec. 3, when nazi leaders collect for the winter relief fund.

Rigors, Grief Are Causes

The sudden deaths of both men and women fall into two classifications:

First—Those who could not stand the unaccustomed rigors of concentration camps and either died while still confined or shortly after their release from the effects. Jewish sources estimated up to 60,000 Jews have been taken to concentration camps.

Second—Men and women who died

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WAVE OF SUICIDES BY JEWS SPREADS

From Page One

after heart attacks resulting from grief over the fate of relatives and friends or from strain and excitement of repeated searches by police and the destruction of their property.

Applicants for passports who have German securities with which they have been trying to pay their share of the $400,000,000 levy against Jews so they could emigrate soon are being told by banks they may not sell their securities except by special permit.

It is explained that the finance ministry wants Jews to give up their gold, jewelry and art objects first.

Financial sources believed the reason for this regulation was that gold and jewelry can be converted readily into badly needed foreign exchange, whereas German securities might find a less ready market.

When Jews wish to draw on their bank accounts they must explain where the money is going. Unless the proposed expenditure is considered proper, they are refused the money.

'Little Hitler,' 13 Followers Slain by Police in Rumania

Chief and Subleaders of Fascist Iron Guard Shot Down on Road in Ruthless Drive to Destroy Foes of King's Dictatorship

BUCHAREST, Nov. 30 (AP).—Corneliu Zelea Codreanu, Rumania's "little Hitler," and thirteen subleaders of the illegal fascist iron guard were slain today and police were ordered to shoot ruthlessly in the drive to destroy terrorists.

"Talk later" was the gist of instructions which went to gendarmerie posts throughout the country advising that "verbal commands" were useless in dealing with any one caught in the act of committing a crime of violence.

Corneliu Zelea Codreanu, 39, chieftain of the secret organization, and thirteen of his followers fell this morning on the road from Rumnik-Sarat prison to Bucharest under the volley of a prison guard detail. An official announcement said they had tried to escape.

Five hours later they were buried secretly in a prison graveyard and tonight no one in Rumania challenged the royal dictatorship of King Carol.

Codreanu was serving a sentence for treason at Rumnik-Sarat, ten miles from the capital, but had been taken with the thirteen others in open cars for a trip under guard to Bucharest for questioning concerning an attack attributed to iron guardists.

The case was that of Stefanescu Goanga, rector of the University of Cluj, who was shot and critically wounded on Monday.

The attack on the rector was said to be part of a large scale iron guard conspiracy looking to a rebellion. Police presumed the conspiracy had been directed by Codreanu from his prison cell.

The police account of the shooting said the procession of automobiles was halted a short distance from the prison by armed men who rushed from a roadside woods.

CORNELIU CODREANU

Harsher Decrees Hit Jews; Daladier Crushes Strikers; New Czech President Named

Nazi Police Given Broad New Powers

BERLIN.—(A. P.)—The government carried its sweeping anti-Jewish campaign a step further today with the publication of an order empowering the police to tell German Jews when they may or may not leave their homes and where they may or may not go.

The regulation appeared in the Reich's Gesettzblatt (official gazette) under the heading, "Police Order Regarding the Appearance of Jews in Public."

It was explained that the order provided a "legal basis" for yesterday's decree forbidding Jews to appear on the streets during eight hours on the day of national solidarity, December 3.

The regulation declared that "the proper provincial police departments" may forbid German Jews or Jews without nationality to appear in definite districts or to leave their homes at definite times. Violations will be punishable by fines up to 150 marks ($60) or imprisonment up to six weeks.

December 3 is the day authorities collect money on the streets for the Winter relief fund.

Jurist Named 3d President Of Republic

PRAGUE, Czechoslovakia.—(U. P.)—Dr. Emil Hacha, president of the high court of administration, was elected President of Czechoslovakia today.

Hacha, elected by Parliament, succeeds Eduard Benes, who resigned shortly after Czechoslovakia surrendered territory to Germany.

Premier Jan Syrovy and his Cabinet, which ruled the country firmly while it was feared the crisis would result in a general European war, was expected to resign at once.

The complexion of the succeeding Government was believed to have been determined already. Conferences between Czech, Slovak and Ruthenian leaders were held yesterday and last night to determine who would be invited to accept governmental posts and to further the political development of the nation.

The Czech press expressed a belief that no political party officials nor military leaders would be included in the new Cabinet.

The new central Government will be composed of a premier and five "common" ministers—foreign, national defense, finance, communications and economic recovery, seven ministers for Bohemia and Moravia—interior, justice, education, agriculture, commerce, public works and social administration—five ministers representing Slovakia and three representing Ruthenia. The expected total was twenty-one. That one of the "common" ministers would be a Slovak was considered a certainty.

NEW PREMIER

There was no indication when Hacha would designate a new premier to replace Syrovy.

Hacha long has held a high place in Czechoslovak civil life. He held office under the Austro-Hungarian Empire. When Czechoslovakia was founded in 1918, he became one of its foremost legal authorities. In 1925 he was elected president of the high court of administration, which determines the legality of public administration under the constitution.

French Premier Wins Battle With Labor

PARIS.—(A. P.)—By a nation-wide array of armed force, Premier Daladier today quickly broke the twenty-four-hour general strike which constituted organized labor's first big challenge to his government and its economic program.

The stocky premier, whose enemies have accused him of dictatorial ambitions, met the issue head-on.

Inside of a few hours there was nothing left of the movement, directed by the powerful General Confederation of Labor, except isolated partial strikes in some private industries, dock workers' strikes in some ports and a few street car strikes.

MANY SOLDIERS

Mobile guards, police and in many cases army units were in abundant evidence to prove the premier's determination to smash the labor demonstration against his decree laws.

In cases where active opposition was shown trouble makers were hustled off to police stations.

After some early morning hesitation, public service workers in Paris and most other cities took their posts under military guard.

The Ministry of Interior announced that police were cracking down sternly on all would-be strikers in private industry.

The announcement said 495 persons in the Paris region alone had been arrested for attempting to keep workers from their posts.

The Subway Workers' Union in Paris conceded defeat and revoked its strike order at 8 a.m. (3 a.m., E. S. T.), four hours after the strike started.

Railroads throughout France and busses in Paris and most other cities were running on regular schedules by noon. All other public services in Paris appeared normal.

Public services were the field in which Daladier had chosen to fight out the strike battle.

There the premier ruled there must be no defections, and put the army in control with requisition decrees against what he called a movement of minority attempting to overthrow the government and laws of the republic.

In that battle he appeared victorious.

In private industry the General Confederation of Labor, led by Leon Jouhaux and backed by the Socialist and Communist parties, proved more successful.

Roughly 30 per cent of the workers were estimated to have followed the strike order in most factories and mines.

POOR SHOWING

Even that, however, was a far cry from a general strike of 5,000,000 workers which labor had sought in its campaign specifically directed against Daladier's decrees increasing taxes.

Stores, offices and banks were nearly all open.

Military guards, with bristling guns, were the only extraordinary evidence of a great crisis.

Troops were put to work in some cases to maintain public services. Soldiers guarded downtown subway stations and handled mail bags in railway cars.

DALADIER MOVES TROOPS AS FOOD SUPPLY OF PARIS IS MENACED BY STRIKE

PERISHABLES IN DANGER

Army Guards Industries to Keep Labor on Jobs Under Martial Law

SHOW-DOWN IS AWAITED

Premier Calls Protest Walk-out Over Decrees Thrust at Nation's Safety

By the Associated Press.

PARIS, Nov. 30 (Wednesday).—Paris' perishable food supply was threatened today as the nation-wide general strike against the government of Premier Daladier began to take effect.

At 5:30 a.m.—an hour and a half after the hour set for the strike—the capital's great market district was slowed to about one-third its normal activity.

Streets were piled high with the usual stores of vegetables and fruits brought in before the strike deadline, but there were few buyers and almost no trucks were loaded to distribute food to the city's millions.

Although the market area itself was abnormally hushed, companies of mobile guards were concentrated in nearby squares.

Some sections of Paris had the appearance of armed camps, with guards sitting near their stacked rifles waiting to rush to possible trouble spots.

Troops Guard Strategic Points

Shortly after 4 a.m. convoys started rolling out of garrisons carrying troops to strategic points.

Columns of mobile guards, with carbines slung over their shoulders, marched along Paris' great boulevards at the East railroad station, which was one of the vital stations for workers from the suburbs.

Orders were given the waiting troops to "fall in" at exactly 4 a.m. They marched into the station which was then closed to the public for a half-hour while the troops took up positions.

Other stations were under heavy guard.

Soldiers patroled with fixed bayonets.

No immediate estimate of the effectiveness of the railroad tie-up had been made as few trains were scheduled to depart during the early morning hours and union orders called for all trains running at the time to continue operating until 7 a.m.

At Paris stations, however, the usual morning station crews seemed to be on duty working under the protection of troops.

Long before dawn long files of steel-helmeted soldiers, mobile guards and police took positions inside and outside the country's electric, water and gas plants.

Subway stations in Paris and bus terminals, railway stations and lines throughout the country were patrolled by armed men.

The nation's public services were turned over from civilian to military operation without disorder at midnight, with the workers under military supervision and under threat of court-martial if they disobeyed government orders to work.

The strikers, apparently still defiant showed little activity early this morning. It was expected actual extent of the strike could not be determined until the morning wore on toward regular hours of work.

ITALIANS DEMAND GRANTS IN TUNISIA

Shouts of Defiance Greet New French Envoy During Deputies' Last Session

ROME, Nov. 30 (AP).—Fascist deputies shouted a challenge to French control over Tunisia today in the face of the new French ambassador to Rome.

They took their cue from a speech by Foreign Minister Count Galeazzo Ciano, who referred to Italy's "interests and aspirations" and raised a cry of: "Tunisia! Tunisia!"

Achille Starace, fascist party secretary, led the demonstration, which came during the historic last session of the seventy-eight-year-old chamber of deputies.

The display brought to the fore an old source of friction between France and Italy, which has been aggravated in recent months.

Andre Francois-Poncet, the new French ambassador, listened from the diplomatic box. He peered at the shouting deputies through his monocle but did not change his expression.

A few minutes before he had heard Count Ciano praise British Prime Minister Chamberlain's contributions toward maintaining European peace and ignore France—whose new, more cordial relations with Italy were marked by Francois-Poncet's appointment.

Tunisia—French protectorate on the north coast of Africa—has a population of about 2,000,000, including 90,000 Italians, about half the white population.

Under an Italian-French convention of 1896, France recognized and agreed to honor civil rights and properties acquired there by Italians, but recently the fascist press has accused France of failing to observe provisions of the convention.

3# Sexweeks

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HOT NEWS
12/16/38

Italy stoking property from Italian Jews. Gov. taking over Jewish business. U.S. ambassador to Eng. says Eng. is ready to take care of persecuted Jews with re-settlement program

Daladier and Carol Seize Broad Powers

(Compiled From Associated Press and United Press Cable Dispatches.)

Premier Edouard Daladier of France and King Carol of Rumania, emerging dramatically as their nations' strong men, acted swiftly today to extend their power.

Daladier was undisputed master in France after crushing a one-day general strike in protest against his policies. He ordered a three-year state of "economic mobilization" to carry out his program and prepared measures to punish labor leaders who had challenged him.

Strikers were sentenced to prison and an estimated 120,000 throughout France were locked out or discharged from factories.

Labor warned Daladier not to interpret his victory over the strikers as an invitation to establish a dictatorship.

The nation returned to normal activity except for certain arsenals and nationalized arms factories which were closed. Some strikers will not be rehired and others must negotiate new contracts which, employers contend, were broken by their failure to report for work yesterday.

Despite the collapse of the strike, former Socialist Premier Leon Blum announced that his party would hold a rump parliament tomorrow as a protest against Daladier's delay in reconvening Parliament.

It was considered likely that Blum would be able to rally only the Communists, Socialists and Union Socialists, a sizable bloc but a minority of the Chamber.

The Confederation of Labor called a special meeting of its national committee Monday to study the consequences of the failure of the general strike.

Later Daladier announced he intended to call Parliament into session December 8 and demand from it approval of his policies.

* * *

Meanwhile in Rumania, King Carol answered a threat of assassination by ordering the arrest of all members of the Fascist anti-Semitic Iron Guard, whose "fuehrer" and thirteen high leaders were slain by prison guards yesterday.

Revenge assassinations of high Government officials were considered to be more than mere possibilities and suspected members of the outlawed organization were being rounded up throughout the country. The King met with members of the Cabinet and sanctioned the most severe repressive measures.

Gendarmerie were told that they might "dispense with the form required by law," or in other words, "shoot to kill" if they met with resistance.

These severe repressive measures were decreed after the distribution of an Iron Guard pamphlet personally addressed to the King which offered him a "last choice." It said:

"Your Majesty. Either you make your peace with the Rumanian nation or we must find another solution." This was interpreted as a threat against Carol's life.

The pamphlets were distributed from house to house in Bucharest as it became known that Corneliu Zelea Codreanu, Rumania's "little Hitler," had been killed allegedly while attempting to escape from prison guards.

According to the official version, Codreanu and thirteen other Iron Guard leaders were being convoyed in open trucks from the prison at Ramnicusarat to Bucharest when shots were fired from a wood.

The prisoners, all under long sentences for treason, made an effort to escape, officials reported, and the guards opened fire, killing every one.

* * *

Daladier's speed in France was believed to have been spurred partly by evidence of Italian ambitions for a slice of French territory. Shouts of "Tunisia! Tunisia!" in the Italian Chamber of Deputies yesterday were regarded by French officials as a possible overture to a Fascist campaign for control of France's North African protectorate.

In Rome, meanwhile, the Fascist Grand Council authorized measures to permit military conscription in an emergency among natives of Libya, Italy's North African possession bordering Tunisia.

* * *

In Germany the first contingent of hundreds of German Jewish children started for a welcome exile abroad while new Nazi decrees brought closer the ghetto.

More privileges were withdrawn from Jews today by a decree published in the Official Gazette. It empowered provincial authorities throughout the Reich to:

"Impose restrictions on German Jews or Jews without passports, who will not be permitted to enter certain areas or show themselves publicly at certain times."

The law probably will be imposed in connection with parks, playgrounds and other public places. It was expected to be used for provincial and national holidays, such as Saturdays, "day of German solidarity."

* * *

The war fronts in Spain and China were quiet.

* * *

It was announced officially in London that Italy will accede to the 1936 naval agreement signed by the United States, Great Britain and France.

5 NATIONS TALK OF JEWS TODAY

U.S. Representatives to Meet Others of 'Inner' Council in London for Parley

LONDON, Dec. 1 (AP).—Representatives of the United States, France, Great Britain, The Netherlands and Brazil will meet here tomorrow to study the great task of finding homes for Europe's harassed Jews, particularly those in Germany.

They form the "inner" committee of a board formed at Evian-les-Bains, France, last summer by delegates of thirty-two nations and sponsored by President Roosevelt.

The British chairman, Earl Winterton, and the American, George Rublee, permanent executive director of the international committee, are to report on the reaction in other countries which were asked to help.

Taylor There for Meeting

Myron C. Taylor, American industrialist and vice-chairman of the international body, arrived today for the meeting. If concrete proposals are formulated to deal with the problem, representatives of all thirty-two countries likely will be summoned.

Some countries have expressed a willingness to take refugees on certain conditions and in limited numbers. But because German Jews are allowed to take only a small amount of money when they emigrate, some nations are unwilling to admit more than a few families.

Rublee has approached the German government upon receiving him to discuss the possibility of letting refugees take more money out of Germany. German officials said they would consider the proposal, but gave no more tangible replies to repeated requests.

Meanwhile, the first group of 300 Jewish children, whom England agreed to receive, was due tomorrow at Harwich from Germany.

Australia disclosed she would admit 15,000 refugees within three years.

Prime Minister Chamberlain has announced surveys in British Guiana, Tanganyika and elsewhere to determine the suitability of wide areas for colonization.

The Netherlands government, which already has admitted some Jewish children, planned to receive 1,500 more.

DALADIER ACTS FOR SHOWDOWN ON HIS POLICIES

Decrees Strikers' Punishment and Calls Parliament to Pass on Economic Plan

LEFTISTS CRY 'FASCIST'

Sympathy Strikes Raise New Problem, but Army Told to Halt Walkouts

By the Associated Press.

PARIS, Dec. 1.—Premier Daladier took stern measures against participants in France's thwarted general strike tonight and headed for a showdown on his three-year plan of "economic mobilization."

Despite moderate demands for a "gesture of appeasement" following his easy victory in quashing yesterday's abortive walkout, the government and big industry decreed punishment for striking workers.

Leaders of the strike movement in public services were ordered discharged and thousands of workers in private industry who joined the movement were dismissed.

Scattered walkouts of workers in sympathy with those discharged gave the government a new problem.

The premier announced he would convoke parliament next Thursday. His action against the strikers, alienating him from leftist parties, was regarded as having thrown him on the mercies of the extreme right.

Charges Fascist Sympathies

The socialist party charged he had combined with "fascist" sympathizers to smash all benefits labor had gained under the people's front government since June, 1936.

Government sources put the number of dismissals of workers throughout France at "not more than 70,000." The socialist party, however, charged that 1,500,000 workers had been punished because of the abortive strike which Daladier broke with a show of military force.

Labor leaders warned grimly that serious developments might be expected if punitive measures continued.

In many cases, socialists said, the discharged workers were rehired at lower wages and required to renounce all seniority rights.

Forces of soldiers and mobile guards such as Daladier used to break the general strike were dispatched to separate regions of France to meet the new "sympathy" walkouts.

The government ordered the sympathy strikes and occupations to be suppressed as firmly as was the general strike movement—by conciliation if possible or by force if necessary.

Workers Storm Metal Plant

Wholesale discharges caused several hundred workers at Raismes, near Valenciennes, to storm a metal plant in an effort to prevent sixty retained employes from continuing their work.

Mobile guards intervened. A brief skirmish ensued in which one guard was injured. Several arrests were made and the workers soon were dispersed.

Erstwhile strikers discharged from nationalized and private shipyards at St. Nazaire were supported by affiliated labor unions in the call for a general strike in that region tomorrow.

Labor sources said the St. Nazaire strike would affect 11,000 workmen.

In northern France alone, 20,000 metal workers, 4,000 miners and 4,000 mine railway workers had been discharged for answering organized labor's call for a twenty-four-hour strike of protest against Daladier's decree laws.

News of the sympathy strikes reached Daladier while he was in conference with top-ranking ministers to decide what penalties should be imposed on public employes who joined the strike movement.

Leaders to Be Fired at Once

Later the premier's office announced that leaders of the strike movement in the public services—particularly those who passed the General Confederation of Labor call on to their unions—would be discharged immediately.

All other public employes who struck were suspended without pay until the various ministers under which they worked had time to pass on the merits of each case.

Industrial sources said the recurrent strike movement, consisting mostly of sympathy strikes, lacked general momentum.

Daladier's conference on the punishment of public employes who struck was sandwiched between meetings with leaders of center and right political parties. The premier was be-

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DALADIER ORDERS STRIKE PENALTIES

From Page One

lieved seeking the moderate and conservative support needed for parliamentary approval of his economic program.

The premier and his aides considered also punitive measures against labor, socialist and communist leaders of the strike, exclusive of government employes.

Informed political sources said some ministers had suggested prosecution of communist leaders and proposed to include Leon Blum, socialist leader and former people's front premier, and some of his followers in the punishment.

Such a move, however, must await definite plans for a new political line-up before parliament gathers next Thursday.

Foreign policy was the subject of fresh concern because of Italian references to Tunisia. These references were regarded as challenging French control of the North African protectorate.

There was worry over statements as to Italian "interests and aspirations" in a speech yesterday by Italian Foreign Minister Count Galeazzo Ciano before fascist deputies in Rome.

Foreign office sources said the Italian manifestations were disturbing, but members of the chamber of deputies professed to attach "little importance" to them.

The legislators' confidence arose from two considerations — that Italy had not approached France about any French territory and that Daladier, on Nov. 16, had said "France would oppose any blow to her colonial empire."

Paper Warns Italy Ready To Fight France

Tension Between Two Nations Over Colonial Demand Heightens.

ROME.—(LP) —The authoritative Giornale D'Italia announced today that "the Italian nation is ready to march against France if necessary." The newspaper freyuently reflects the views of Premier Benito Mussolini.

The newspaper declaration coincided with a sudden strain on relations between Italy and France because of Italian demands for colonies at the expense of France, as expressed by the shouts of Italian deputies on Thursday for "Tunisia, Corsica, Nice."

France protested the demonstration and asked Italy for an explanation of the speech which Fascist Foreign Minister Galeazzo Ciano made to the deputies—in the presence of the new French ambassador, Andre Francois-Poncet—in regard to Italy's colonial demands.

ATTACKS PRESS

The Giornale D'Italia bitterly attacked the French press in its article, which was made more significant because it was signed by Virginio Gayda, who is close to the Fascist Premier.

Gayda charged that the French press, commenting on Ciano's speech, had insinuated that there was "deep discord" between the Italian royal family and the Fascist State. He denounced such insinuations.

"Sixteen years of Wascism have consolidated Italy," he said. "The Italian nation is bound to its Government and prepared for anything. It is ready to march and, if necessary, even against France."

The Gayda article was believed to have put relations with France under extreme strain despite the fact that Francois-Poncet had been sent to Rome especially to work out an accord improving relations between the two nations.

The Government's attitude was reflected in the fact that the Fascist press demanded rectification of the colonial situation with emphasis on the French-governed territories of Tunis, Djibouti, Corsica and Nice.

3 Governments Fight for Lives

(By the Associated Press.)

Three European governments fought today for their lives.

French Premier Daladier battled the biggest problems — the dual dangers of increasingly embittered labor at home and what appeared to be an Italian campaign for French colonies in Africa.

In Brussels, newspapers said the resignation of Premier Paul Henry Spaak appeared inevitable. Spaak incurred Socialist wrath by agreeing to send a commercial representative to Insurgent Spain and recalling Belgian diplomats from Barcelona, the Spanish Government capital.

Pressing a campaign to crush the Nazi style Iron Guard, the Rumanian Government announced in Bucharest the arrest of six student members and said other alleged revolutionary plotters in the outlawed guards would be arrested soon.

Gravest of France's immediate dangers was a new strike movement in retaliation for the discharge of workers who led the one-day general walkout Wednesday in opposition to Daladier's financial-labor policies.

ITALY EYES TUNISIA

Italian newspapers took up the cries of "Tunisia! Tunisia!" first raised in the Fascist Chamber of Deputies, which led French Foreign Minister Georges Bonnet to request "explanations" of Italian intentions toward Tunisia, Djibouti and Corsica.

As the first group of Jewish child refugees from Nazi Germany arrived in Harwich, England, five statesmen met in London to tackle the gigantic problem of finding sanctuary for the potential 5,000,000 European refugees who are seeking new homes.

They represented the United States, Britain, France, the Netherlands and Brazil. Informed sources said the group would try to crack the "flight tax" rule which strips German Jews of virtually all they own if they emigrate.

Germany's anti-Semitic drive tured toward Germans friendly to Jews. Nazis in one locality tacked placards lettered "Judenknecht"—Jews' lackey or servant —to stores and homes of non-Jews called "noxious enemies of the common weal."

In Tokyo the cabinet approved the largest budget in Japan's history. The 1939-40 estimates totaled 3,694,752,000 yen (about $997,583,000) — 180,000,000 yen ($48,000,000) more than last year. Still to come were appropriations for the war in China, which were expected to raise total expenditures for the year to 5,000,000,000 yen (about $1,350,000,000).

Nazis Prohibit Jews From Driving Autos

Britain to Ask Italy to Explain; More Rumanian Fascists Slain.

(Compiled from Associated Press and United Press cable dispatches.)

German police canceled the driving licenses of all Jews today and forbade them to drive automobiles anywhere in Germany.

The order was issued by Henrich Himmler, head of the State police.

Jews were barred permanently from certain streets and buildings in Berlin.

Himmler's decree applies to Jews of German nationality as well as foreign, forbidding the maintenance or operation of automobiles.

The decree, it was stated, was motivated by "the cowardly murder (of a German envoy in Paris) by the Jew Grynzspan, which was directed against the entire German people and which indicates that Jews are unreliable and unsuited for the maintenance and operation of motor vehicles."

Meanwhile it was learned from a reliable source in London that Great Britain has asked Italy for an explanation of the anti-French demonstration in the Italian Chamber of Deputies Wednesday.

It was understood that Lord Perth, British ambassador to Rome, would see Count Galeazzo Ciano, Italian foreign minister, soon regarding the demonstration.

Britain's decision to ask explanation was taken after Andre Corbin, French ambassador, visited the foreign office. The decision was therefore considered a demonstration of Franco-British solidarity.

MAY CANCEL VISIT

Some quarters believed that the Italian anti-French agitation might force Prime Minister Neville Chamberlain to cancel his "peace" mission to Rome.

Meanwhile, agitation for Italian annexation of French Tunisia was disavowed by the Italian foreign office, Ambassador Andre Francois-Poncet notified the French foreign office in Paris.

The French government's unusually vigorous intervention at Rome brought an immediate explanation. France had asked a reply to a demarche by Monday.

Francois-Poncet reported that Ciano declared that the Italian government did not assume responsibility for the manifestation which should not be considered an expression of Italian government policy.

In Bucharest, three men who had confessed that attempted assassination of the rector of Cluj University were shot dead by guards.

Police reported that the three, whose attack on Flory Stefanescu Goanga November 27, was the climax of a wave of iron guard terrorism, had tried to escape as they were being taken from court to prison.

Their deaths followed by three days the mass slaying of Corneliu Zelea Codeanu, leader of the Fascist, anti-Semitic iron guard, and thirteen of his sub-leaders, who also were reported to have attempted escape while being transferred from prison.

Meanwhile, a general shipping strike in Le Harve, France, delayed sailing of the giant liner Normandie despite a government order requesting all of the fifty vessels in the crowded port.

The maratime strike brought new difficulties to the Daladier government, already faced with other labor troubles and with Italian demands for French territory.

Boat-trains failed to leave Paris for Le Havre this morning. French Line officials said a new hour of departure had not been set.

More than 5,000 seamen and ather maratime workers defied the government's requisition order aimed at putting them back to work as government employes. The tactics employed by the government were similar to those used in breaking the general Confederation of Labor's one-day general strike last Wednesday.

Inactive war fronts in Spain and China left the military picture in those embattled countries virtually unchanged during the week.

REFUGEE BODY AGAIN TO SEEK HELP OF NAZIS

6 Nations Are Represented at Conference in World's Effort to Free Jews

TAYLOR IS U.S. DELEGATE

Progress in Finding Homes Reported—32 Countries to Confer in January

By the Associated Press.

LONDON, Dec. 2.—Men of six nations decided today to tackle Germany again in the international effort to get her estimated 600,000 unwanted Jews out of the country under the $600,000,000 plan sponsored by United States Ambassador Joseph P. Kennedy.

The action was taken by the vice-chairman's committee of the intergovernmental committee on refugees, composed of representatives of the United States, Great Britain, France, The Netherlands, Brazil and Argentina, the latter a new addition.

Previously it was shown that Germany had ignored repeated requests that George Rublee, an American, who is permanent director of the intergovernmental committee, be invited to Berlin to discuss the Jewish emigration problem with German authorities.

The vice-chairmen's committee, on which Myron C. Taylor represented the United States, decided on a fresh effort to obtain German co-operation in a four-and-one-half-hour session.

Progress in Finding Homes

The committee members reported progress in obtaining places for the refugees to make new homes.

But it was believed little could be done until Germany allowed the Jews to emigrate and modified the "flight tax" rule which strips them of virtually all they own as they leave the country.

A communique tonight said the meeting was "informal," adding:

"The director submitted a report on the work which has been done since the last meeting of the chairman and vice-chairmen. He was able to state that prospects for the refuge and settlement of involuntary emigrants from Germany were steadily improving, but that establishment of orderly conditions of emigration continued to depend in a measure on the attitude of the country of origin.

"After reviewing the work of the committee in all its aspects, the meeting considered the future procedure of the committee and decided to leave it to the chairman in consultation with the director to summon a meeting of the full committee in the near future. It was considered the full meeting should in any event be held early in the new year."

Full Committee to Meet

The "full committee' is the thirty-two-nation body which met at Evian-les-Bains, France, last summer at the instigation of President Roosevelt. The projected meeting will be in London, perhaps in the latter part of January.

New approaches to Germany, it was understood, will be made by French Foreign Minister Georges Bonnet through German Foreign Minister Joachim von Ribbentrop when Von Ribbentrop visits Paris next week.

There were unverified reports, also, that Hjalmar Schacht, head of the German reichbank and former economics minister, might come to London in connection with the financial aspects of the refugee plan.

The committee heard from the French delegate of a fresh offer to admit 10,000 refugees to French colonies if Britain and the United States made "corresponding sacrifices."

An American spokesman said the session was characterized by an atmosphere of urgency and the feeling that something can be done, in contrast to the first meetings to discuss German refugees at Evian-les-Bains.

"Friendship" Is Gambled

The committee received a memorandum from the Jewish Agency for Palestine detailing a plan for settling 100,000 Jews in the Holy Land, but was understood to have taken no action.

Britain may be gambling the remains of her friendship with Germany on the attempt to rescue Germany's Jews.

For nine months Premier Neville Chamberlain's foreign policy has been based on gaining co-operation of Reichsfuehrer Adolf Hitler. This policy has survived the resignation of Foreign Secretary Anthony Eden, who opposed it, Germany's annexation of Austria and Hitler's threat of war over Czechoslovakia.

But Anglo-German relations, improved by the signing of the Munich agreement against war, have deteriorated since the anti-Semitic drive began Nov. 10.

Children Reach England

HARWICH, England, Dec. 2 (AP).—The first group of Jewish child refugees from nazi Germany arrived in England today.

The party of 200—advance guard of the 5,000 non-Aryan children a Jewish committee in Berlin hopes to move to Britain—landed at this east coast port shortly before dawn.

Germans Study Plan to Ask Trade as 'Ransom' for Jews

New Scheme Would Make Emigration Possible in Return for Increased Exports — Fences of Burial Plots Seized as Scrap Iron

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Dec. 2.—A prominent nazi editor disclosed today that plans were being studied for making Jewish emigration possible in return for increased German exports.

Although he declined to outline specific details, the editor said the project had advanced to the point where Field Marshal Hermann Wilhelm Goering, director of the four-year economic plan, could announce it soon.

The editor, who is close to Goering's group, explained the idea behind the scheme as follows:

"Jews need foreign exchange to get out. We haven't any. Hence other nations must supply it. These nations, however, will insist that Germany should repay these sums from possessions left behind by German Jews.

"There is only one way we can repay—through goods. Therefore, the problem of ridding ourselves of Jews and for Jews to make emigration possible comes to this:

"How great a quantity of additional German goods are foreign nations prepared to buy from Germany? They can have all 650,000 Jews and half-Jews if they will give us enough export orders."

Meanwhile, iron fences inclosing Jewish burial plots were being torn down to increase the German supply of scrap iron, and newspapers took up a campaign against persons who sympathize with Jews.

The remaining Jewish publication in Germany, Juedisches Nachrichtenblatt, appealed for the removal of the fences "as a great project for beautifying Jewish graves," and said, "inasmuch as the German reich's supply of scrap iron must be increased we want voluntarily to make this material available for re-utilization."

In Ulm, placards reading, "Judenknecht" ("Jews' hireling") were affixed to stores and homes of persons whom the Ulm newspaper called "noxious enemies of the commonweal."

The organ of Brandenburg and Berlin brown-uniformed Sa members said:

"There are certain types in Berlin who are not Jewish in blood, but in behavior and point of view. We will be thankful if they are given a lesson and brought back to their own people."

The same paper said the poorer Berlin Jews would be placed in the homes of "Jewish villa owners in the western suburbs so that many beautiful, cheap apartments may become available to German Aryans."

Der Arbeitsmann, organ of the National Labor Camp service, said:

"What makes our blood boil is the fact that right in our midst there are still so-called fellow-Germans who stab their own nation in the back by their attitude toward the Jewish question.

"To be sure, they are only a small minority, who cannot constitute a danger to the new reich. Nevertheless, we want to obtain the names of these Jew-sympathizers and mark them for future reference."

The paper said the anti-Jewish violence of Nov. 10—when synagogues were burned, stores looted and windows smashed—showed a "healthy reaction" among the people.

High nazi circles rejected ideas that

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an order forcing Jews to remain home tomorrow between noon and 8 p.m. would be used to arrest wealthy Jews who have escaped detention in concentration camps.

Tomorrow is the day of "national solidarity," when the highest nazi collect money on the streets for the winter relief fund.

"The purpose of the order is merely to show Jews their place," one prominent nazi said. "The whole nation will demonstrate its solidarity. We don't want the day marred by having to see a single Jewish face."

WIVES OF OUSTED JEWS ORDERED OUT OF REICH

WARSAW, Poland, Dec. 4 (AP).—The Warsaw Jewish committee said today thousands of Polish Jews, hurriedly expelled from Germany at the end of October, had received word that the wives they left behind have been ordered by German police to leave by Jan. 1.

Jews have informed the Warsaw government that they were worried because most Polish Jewesses still in Germany are without passports.

NAZI TRADE UP IN NEW WORLD

Hull Finds German Economic Gains in Central America Quadrupled Since '33

BY ANDRUE BERDING,
Associated Press Staff Writer.

ABOARD THE S. S. SANTA CLARA, EN ROUTE TO LIMA, Peru, Dec. 3.—Central America, first portion of Latin America reached by the United States delegation to the Pan-American conference, has given Secretary Hull and other delegates reason to ponder the growth of German trade and influence.

Delegates have found that since 1933, when Adolf Hitler came to power, German exports to Central America have more than quadrupled.

Experts with the delegation who have examined the commercial situation in Central America find Germany striving hard to cut into the United States' share of trade. But American merchants so far are holding their position and Germany's gains are at the expense of other nations, particularly Great Britain.

The six republics comprising Central America have been regarded traditionally as part of Uncle Sam's own back yard.

American trade advisers with the delegation admit Germany's competition will be stronger in 1939 when she reorganizes her export and import structure following her absorption of Austria and the Sudetenland.

Pushing Sales to Limit

Germany is pushing to the limit sales of motors, toys, medicines, hardware, textiles and cement drums and is willing to take raw materials in exchange, chiefly coffee, sugar and henequen.

1,000 JEWISH CHILDREN ON WAY TO NEW HOMES

METZ, France, Dec. 4 (AP).—Between 800 and 1,000 Jewish children crossed the frontier today from Germany for new homes in France and England.

Most of the children, whose ages ranged from 7 to 14 years, will be cared for by families in the vicinity of Metz, Strasbourg and Mulhouse. It was arranged for about 100 to be received in England.

Officials here said all were children of Jews who were expelled from Germany or died during the nazi anti-Semitic campaign that followed the shooting of Ernst vom Rath, German embassy secretary in Paris last month. Most of them were from Berlin, Munich and Vienna.

GHETTO REGULATIONS PUT UPON ALL JEWS IN BERLIN; USE OF AUTOS FORBIDDEN

Britain Decides to Oppose Duce's Designs on Tunisia

Chamberlain Backs France in Face of Possible Death Blow to Appeasement Plan—Visit to Italy, Set for Jan. 11, May Be Postponed

By the Associated Press.

LONDON, Dec. 3.—Great Britain backed France today by deciding on diplomatic action to block Italian designs on Tunisia, French African protectorate.

The fascist challenge to French control of Tunisia has threatened to deliver a final blow to Prime Minister Neville Chamberlain's European appeasement policy, already weakened by Germany's anti-Semitic campaign.

The Tunisian development led Foreign Secretary Viscount Halifax to order immediate strong representations at the Italian foreign office.

With vital English and French strategic interests in the Mediterranean involved, Lord Halifax, reliable quarters said, ordered Britain's ambassador to Rome, the Earl of Perth, to take a "firm stand" against Italy's latest anti-French drive.

The drive threatened to wreck Chamberlain's projected visit to Rome. First announced Monday, the trip was set today for Jan. 11 to 14. The foreign office announced the date, however, amid conjecture that Chamberlain might not go at all as a result of the French-Italian friction.

The situation still was far from settled, and there were some who felt the fast-changing European scene might yet shift enough to force a reconsideration of the visit. Lord Halifax is to accompany the prime minister.

Britain decided on the Rome representations in order to reinforce the request of the French ambassador in Rome, Andre Francois-Poncet, for an explanation of the Italian clamor over Tunisia.

The foreign office made its decision after it had been informed officially that France could not tolerate interference in Tunisia or any other territory.

The issue cropped up suddenly on Wednesday when deputies of the Italian chamber shouted "Tunisia, Tunisia!" in unison after an address by Italian Foreign Minister Count Galeazzo Ciano. The demonstration was led by Achille Starace, secretary-general of the fascist party.

The controlled Italian press followed with attacks upon France. The demonstration went without rebuke by the Italian government.

The Italian aim has not been stated exactly, and it was not clear whether the fascists are calling for cession of Tunisia or simply for increased Italian rights.

Lord Perth's instructions apparently reached him too late for action when he called upon Count Ciano today, but the ambassador was expected to take the first opportunity of voicing London's views.

France meanwhile maintained a tight military and civilian grip on her North African protectorate.

LIVING AREAS LIMITED

Restrictions Expected to Spread Soon to Other Cities of Reich

PENALTIES ARE DECREED

Entry Into Banned Sections to Mean $60 Fine or Six Weeks' Imprisonment

BY LOUIS P. LOCHNER,
Associated Press Staff Writer.

BERLIN, Dec. 3.—Berlin officially restricted Jews today with an approach to Ghetto conditions.

The capital's police chief, Count Wolf Hendrick von Helldorf, gave the signal for inauguration of a system of banned streets, forbidden areas and restricted living quarters for German Jews which undoubtedly will be followed by other cities.

Propaganda Minister Paul Joseph Goebbels on Nov. 15, five days after the current anti-Semitic drive started, had pledged there would be no Ghetto for German Jews, but newspaper headlines observed: "No Ghetto, but sharpest division."

Coincidental with the Berlin police chief's action was a decree by the chief of all German police, Heinrich Himmler, withdrawing drivers' licenses and automobile and motorcycle permits immediately from all German Jews.

Called "Undependable" Drivers

His order asserted the assassination of Ernst vom Rath, secretary in the German embassy in Paris, by the young Polish Jew, Herschel Grynszpan, showed that Jews were "undependable and unsuited to keeping or driving motorized vehicles."

Himmler's decree opened with the statement:

"The cowardly murder attempt by the Jew Grynszpan (17-year-old Herschel Grynszpan, who shot Ernst vom Rath, secretary of the German legation in Paris Nov. 7), which was directed against the entire German people, makes the Jew appear undependable and unsuited to keeping or driving motorized vehicles."

The order forbade keeping or operating the machines "for general reasons of security and for the protection of the common weal."

D. N. B., the official news agency, commented:

"This preventive measure against Jewish arrogance gives an expression of the healthy sense of justice of the German people.

"The German Aryan has long felt it to be a provocation and danger to public life to see a Jew sitting at the steering wheel of a motor vehicle or to see him using the auto roads of Adolf Hitler, created by German workers' hands.

"This condition for which the German people hitherto stood with unexampled patience has now reached an end.

"Jews no longer have any place at the steering wheel of an automobile.

ITALIAN PROPERTY IN TUNIS WRECKED

500 Angry Colonists Riot in Protest Against Italian Claim—Several Hurt

TUNIS, Tunisia, Dec. 4 (AP).—Blood was spilled today in an angry demonstration by 500 French colonists against Italy's apparent campaign for Tunisia, French north African protectorate.

Police restored order only after several skirmishes in which an undetermined number of rioters were injured.

An Italian book store was wrecked when the rioters broke in through the windows, seized newspapers and books and flung them into the streets, where other demonstrators tore them to shreds.

Windows were smashed also in the Italian tourist office and raiders broke into the offices of the Italian line and Italian newspaper, "Fasciste Unione."

Cries of "Long live France!" and "Down with Italy!" echoed down the narrow streets of the capital as the angry demonstrators paraded through the city under heavy police guard.

A projected attack on the Italian consulate was prevented by strong police reinforcements.

Fifteen persons were arrested during the demonstration.

Police asserted their prisoners included two Italians who were armed, an Italian anarchist who arrived in Tunis recently from Spain, and the secretary of the communist party in the capital.

Several Italian residents who appeared on the streets with fascist insignia on their coats were forced by the crowds to remove the emblems.

Representatives of Arab delegations in the Tunisian parliament told the French authorities they would back action by the French government to prevent Tunisia from coming under Italian administration and assured the French that the Arabs would fight, if necessary, under the French flag.

FASCIST PRESS KEEPS UP CRY FOR NEW AREA

French Territory for Which Italians Clamor Includes Nice, Corsica, Djibouti

ASSERTS TUNISIA STOLEN

Gayda Says People Solidly Behind Demand and That 'Wrongs Remembered'

By the Associated Press.

ROME, Dec. 4.—The fascist press kept sharply in the foreground today Italy's cry of unsatisfied "national aspirations" which has put new strain on her relations with France.

Il Popolo di Roma made the clearest, most far-reaching explanation so far of the irredentist clamor which provoked a new issue with France Wednesday when Italian deputies punctuated a speech of Foreign Minister Count Galeazzo Ciano with shouts of "Tunisia! Tunisia!"

"The Italian people," the newspaper said, "have not forgotten even one of the many wrongs suffered in the past. They have not nor will they ever forget that in Corsica an Italian dialect is spoken and that Tunisia was stolen from them.

"The Italian people do not ignore the fact that Djibouti in their hands would be highly valuable because it is a natural port for a great part of Ethiopia. The port is completely useless in French hands in view of the fact that Italy can create a new port and divert through it all traffic which now passes through Djibouti.

Speaks of "Ingratitude"

"The Italian people above all remember the base ingratitude with which they were recompensed at the end of the war for the terrible sacrifices they suffered.

"They gave the lives of 40,000 youths to save France. And when the war was over they were denied even 1,000 square kilometers of African desert."

Besides the French North African protectorate, which borders Italian Libya, clamor has grown for Nice, Corsica and Djibouti, coastal terminal in French Somaliland of the railroad to Addis Ababa, capital of Italian-conquered Ethiopia.

Virginio Gayda, fascist editor who dependably reflects Premier Mussolini's views, denied at length various interpretations abroad as to why Italy has raised the irredentist question now.

Gayda declared it was "short-sighted" to say that Mussolini was attempting to obtain some advantage for himself because the partnership with Berlin so far had functioned principally to Germany's advantage.

The Italian people, Gayda said in La Voce d'Italia, are solidly behind the fascist aspirations which have "national grounds and historic foundations."

CORSICANS CRY, 'KILL MUSSOLINI'

30,000 Islanders Surround Italy's Consulate, Protest Duce's 'Insulting' Claim

AJACCIO, Corsica, Dec. 4 (AP).—Thirty thousand Corsicans crying "Long live France, kill Mussolini," surrounded the Italian consulate here today to protest Italy's claims to this island birthplace of Napoleon in the Mediterranean sea.

The demonstrators broke through strong police lines in a series of rushes which took the guards off their feet and caused many persons to be slightly injured.

No attempt was made, however, to enter the consulate, which is located outside the city.

The crowd shouted imprecations at the Italian consul for almost two hours and then it dispersed and drifted back to the city while police returned to their places around the consulate.

The demonstration followed ceremonies at the World war monument in which organizations from all parts of the island participated.

A resolution was read affirming Corsica's "indestructible attachment" to France and expressing indignation at the "insulting pretensions" of Italy to acquire the territory.

As the procession moved from the monument to the Italian consulate a number of the paraders smashed windows in the store of an Italian merchant.

Demonstrations were held in many other parts of the island.

Thousands of residents attended sessions of colonial associations and held public meetings to pass anti-Italian resolutions. Crowds shouted "Long live France!" "Long live Corsica!" and "Long live French Corsica!"

Corsica, an island in the Mediterranean just south of Italian Sardinia, is a French department. France bought sovereignty from the republic of Genoa in a treaty signed May 15, 1768.

Sudetenlanders Vote Confidence in Hitler

REICHENBERG, Germany, Dec. 4 (AP).—Sudetenland voters, casting ballots for thirty deputies to the German reichstag, gave Adolf Hitler, their "liberator" from Czechoslovakia, the expected overwhelming vote of confidence today.

Official returns from forty-four of the sixty-six districts showed 1,195,194 voted "yes" and 7,046 voted "no," a percentage of 99.2 for Hitler.

Of the 1,204,449 votes cast, 2,209 were invalid. Registered voters in the forty-four districts were 1,214,801.

Polling stations were crowded long before the voting opened and loud cheers were raised for the two Sudeten nazi leaders, Konrad Henlein and Karl Hermann Frank, when they appeared to cast their ballots.

Reichsfuehrer Hitler, Henlein and Frank headed the list on the ballot which read: "Do you acknowledge our fuehrer, Adolf Hitler, the liberator of Sudetenland, and do you give your vote to the list of the national socialist German labor party?"

Beneath was a circle about one and a half inches in diameter for the answer "yes" and a circle four-fifths of an inch across for "no."

JEWISH STORES IN NAZI HANDS; RELIGION IS HIT

Teachers Are Told the Bible Glorifies Race From Which Came Vom Rath's Killer

By the Associated Press.

BERLIN, Dec. 4.—New nazi orders forced Jews deeper into isolation from German life today amid the beginnings of nation-wide Christmas festivities.

In the mended windows and showcases of stores taken from Jews after the anti-Semitic demonstrations that followed the slaying of Ernst vom Rath, German embassy secretary, in Paris, new Christmas goods appeared.

But the new proprietors were warned that they must make a complete new start, erasing any ties with their stores' Jewish origins.

"The transfer from Jewish to Aryan hands," the official order declared, "Marks a definite break with the past. The new owner starts afresh and must not refer to the previous standing of his business."

New Arrivals Face Prison

Local orders in Nuremberg and the neighboring town of Fuerth warned that new Jewish arrivals would be imprisoned unless those who intended to remain more than forty-eight hours reported immediately to police.

It has been discovered that Nuremberg, home of Julius Streicher, a leader of German anti-Semitism, has been attracting Jews recently from smaller towns and villages of Franconia.

At the same time, Nuremberg, the center of Germany's toyland, opened the historic children's paradise, the "Christkindl" market," with elaborate ceremony.

Meanwhile, the antinazi Confessional Church Council of Brethren declared in an announcement read from pulpits that the national socialist (nazi) teachers' society had ordered its members to cease giving religious instruction in schools.

The basis for the command, according to the council, ruling body of the confessional church, was that "the Bible glorifies a people from whose ranks came the murderer of Vom Rath."

The council disputed this. It cited the words of Jesus from the New Testament (St. Matthew, xxii:29): "Ye do err, not knowing the Scriptures, nor the power of God," to show that neither the Old nor the New Testament glorified the Jewish race.

The Protestant bishop of Saxony, Friedrich Peter, in a broadcast sermon declared that "Christ's battle was against Jews—a battle of light against darkness."

"Christ preached pure truth," he said. "If Christianity had kept to this truth, no Germanic dissent would ever have been necessary."

There were no new developments concerning yesterday's order by Berlin's police chief, Count Wolf Hendrick von Helldorf, by which a system of banned streets, forbidden areas and other restrictions against German Jews will go into effect Tuesday.

Residents of Berlin, however, were exhorted officially to visit the "wandering Jew" exhibit, an anti-Semitic exposition which portrays in detail nazidom's hatred and contempt for Jews. The display opened a year ago in Munich and since has been converted into a traveling show.

CROATS IN YUGOSLAVIA CRY AGAINST SERB RULE

ZAGREB, Yugoslavia, Dec. 4 (AP).—Another of Europe's uneasy minorities served notice today that it was getting impatient waiting for autonomy when 50,000 Croats cheered their leader, Dr. Vladko Machek, in an attack on Serb rule.

The Croat leader spoke in a campaign for the Yugoslav parliamentary election Dec. 11.

For the first time, the Croats appeared in semimilitary formation and marched in a company to the open-air meeting. They carried Croat instead of Yugoslav banners.

Daladier Strikes Back at Fascists

(By the Associated Press.)

Premier Daladier's blunt declaration that France no intention of giving up any part of her territory h lighted today the Franco-Italian controversy, currently most dangerous friction in a troubled world situation.

The fighting French premier announced his inten early in 1939 of visiting Tunisia and Corsica, figurin Italian clamor for French territory.

In the meantime, France asked, "Where is the trap?" as police guards restored peace in Tunisia and Corsica, where angry anti Italian demonstrations replied yesterday to Italian agitation for these territories.

CONSULATES GUARDED

Heavy police reinforcements were thrown around the Italian consulates in Tunis and Susa-Tunisie after riotous marchers had demonstrated, shouting "Down with Italy!" yesterday in both cities.

The mayor of Ajaccion, Corsica, appealed to the populace for calm on the Mediterranean island after demonstrations last night in the streets of Ajaccio, Bastia and other Corsican cities.

Both Corsica, a department of France, and Tunisia were made the goals of the Italian campaign by Fascist deputies, who demonstrated Wednesday in Rome. Also named in the Italian agitation were Djibouti, port of French Somaliland, Savoy and Nice.

Daladier, authoritative sources said, was preparing to block any attempt by Germany to use the French-Italian tension as a lever to further the Nazis' own colonial demands.

The French press, although approving the French-German friendship agreement which German Foreign Minister Joachim von Ribbentrop is going to Paris to sign tomorrow, looked warily into it to find the game of the "Rome-Berlin axis."

The question everywhere to reports that Von Ribbentrop might volunteer as mediator between Rome and Paris was, "At what price?"

L'Oeuvre, Daladier's own Radiflatly of the coincidence between cal-Socialist party newspaper, said the German minister's visit and the Italian agitation:

"It is a trap."

"INTOLERABLE SITUATION"

Rome stepped up the tempo of demands for redress of "wrongs" attributed to France in the past. The newspaper Il Piccolo echoed shouts of Italy's "natural aspirations," and declared developments in the new Italo-French issue raised an "intolerable situation."

In China, reports reaching Shanghai said that Japanese warships had massed in the Gulf of Tongking and were shelling Pakhi, seventy miles east of the French Indo-China border.

This was believed to presage a new Japanese landing in South

German Drives Hard Bargain; Italians Clamor Anew for Tunisia.

By the Associated Press.

A French-German renunciation of war pact today gave a new slant to the old problem of clashing French and German interests, as new voices joined the mounting Italian campaign for part of France's colonial possessions.

The agreement, which Foreign Minister Joachim von Ribbentrop went to Paris to sign, was a springboard for discussion of matters out-

PARIS.—(U. P.)—The government of Premier Edouard Daladier won its first test of strength today since the unsuccessful general strike when the Chamber of Deputies finance committee defeated a protest against application of sanctions against the strikers.

The protest was put forward by the powerful Socialist party which objected to the stern measures taken by Daladier against the general strike participants. The measures included dismissals and fines.

side the accord and German informants said Adolf Hitler's envoy was ready to drive a hard bargain.

Foreign Ministers Georges Bonnet of France and Von Ribbentrop of Germany signed the agreement on cream-colored sheets of vellum containing French and German texts.

On his arrival from Berlin unusual guard precautions were taken on behalf of Von Ribbentrop, who, after signing the accord, began diplomatic conversations with French statesmen.

BRIEF ACCORD

Mutual recognition of their frontier as involate and agreement to negotiate future disputes was contained in the brief three-paragraph accord.

But Von Ribbentrop was said to be bent on determining whether France considers her mutual assistance pact with Soviet Russia still in effect. And France was considered equally anxious to find out if Hitler was backing Italian claims to Tunisia and other French-controlled territory.

Several hundred shouting Fascist students in Rome kept alive the Italian campaign for Tunisia, attempting unsuccessfully to demonstrate before the French embassy.

"NO NEED OF TALK"

Blocked by police, they marched to the Palazzo Braschi, Rome headquaters of the Fascist party, where their cries of "Tunisia is ours" brought commendation from Provincial Secretary Andrea Ippolito, who said the demonstration was "more than legitimate."

"There is no need of talking of Tunisia—we will go there," he shouted.

The Italian cruiser Raimundo Montecuccoli was moved from the Adriatic Sea to Mediterranean waters as the Italian press campaign for Tunisia grew more intense.

SPANISH CHAGRINED

Both Government and insurgent regimes in Spain expressed chagrin that the question of the Mediterranean status quo was arising when war prevents a united Spain from making her voice heard in any settlement.

Added to France's foreign problems were continuing strikes, particularly among maritime workers who have crippled the transatlantic French Line. Premier Daladier ordered 259 sailors to man the liner Paris today in an attempt to break the strike.

In Berlin, the Deutsche Allgemeine Zeitung placed at $3,080,000,000 the total of Jewish wealth which "must be moved" under the Economics Ministry decree authorizing Nazi officials to liquidate Jewish possessions.

The newspaper said this total (7,700,000,000 marks) took in 2,900,000,000 marks in real estate and working capital $1,160,000,000 and that the remainder was in "other wealth."

The decree stipulates that Jews no longer can sell or pawn any valuables without a Government permit, that they must deposit securities within banks, and that they cannot acquire real estate.

JAPS ADVANCE

Japanese reported they had occupied Kongmoon, important treaty port thirty-five miles northwest of the Portuguese colony of Macao, further strengthening their hold on Canton.

They previously had occupied Kowkong, to the north of Kongmoon, and were reported moving southward toward Sunwei, famous home town of many thousands of overseas Chinese.

Kongmoon, which was proclaimed a treaty port in 1904, was said to be the twenty-first treaty port to be occupied by the Japanese eduring the eighteen months of hostilities.

GERMANS FIGHT U.S. PROPOSAL FOR AMERICAS

Nazis at Lima Argue Strong-Man Rule Better Than Solid Front of Democracies

By the Associated Press.

LIMA, Peru, Dec. 6.—Private conferences in which German representatives showed an unofficial, but active, hand strengthened the widespread belief today that the United States may have a battle to win its "Americas for the Americans" objectives in the eighth Pan-American conference opening here Friday.

At least five German journalists or representatives of Germany's propaganda ministry were already on the ground and others were arriving on nearly every plane and ship.

They were circulating wherever groups of delegates assembled, handshaking and saying a few words in favor of totalitarianism as against democracy wherever opportunity offered.

Some of their arguments heard were that Latin-American countries needed a stronger system of government than democracy in order to control or prevent frequent political uprisings and that a strong man with a strong hand was the only solution.

Attitudes Highly Uncertain

Conference circles were chary of predicting the attitude the South and Central American delegations may take in case of a showdown on any practical question at the conference.

Those well informed on Latin-American politics were of the opinion, however, that Argentina, Uruguay and Paraguay probably would oppose any plan which could be interpreted as "turning our backs on Europe."

The Argentine foreign minister, Dr. Jose Marie Cantilo, used these words in expressing his attitude at the time President Roosevelt proposed a program of American solidarity for the hemisphere.

Bolivia's attitude, too, appeared to be doubtful. A more favorable stand toward the United States was expected from Brazil, Cuba, Colombia, Chile, Venezuela, Ecuador, Peru, Mexico, Panama, Costa Rica, Honduras, Salvador, Guatemala, Haiti and Santo Domingo.

But no one would be surprised at any change in the apparent attitudes of these countries because of economic, political, cultural or even personal factors.

Cantilo Opposes Formal Front

Arriving in Lima today, Foreign Minister Cantilo, of Argentina, reiterated opposition to a formal defensive alliance for the hemisphere.

"It would amount to a military alliance, is not that so?" he asked. "Such an alliance is already made in our history and it does not require pacts of any sort which would bring to America a regime of armaments under unacceptable conditions. America will defend herself, the nations forming this continent will unite themselves if the case arrives, as they did during their independence wars battling for one common ideal with absolute disregard of boundaries."

Cantilo also said Argentina was averse to creation of an international court of inter-American justice or an American league of nations.

He said, however, it was "necessary that we Americans should let the rest of the world know how real and true is our union, which we will make stronger for the sake of continental peace."

FRANCE TO OPPOSE CLAIMS ON ANY OF HER TERRITORY; AGITATION GROWS IN ITALY

HINT TO GERMANY SEEN

Daladier Warning Comes on Eve of Visit by Von Ribbentrop

GAYDA PREDICTS DEMAND

Editor Indicates Fascists to Present Claims to Paris at Some Future Time

Situation in Brief

By the Associated Press.

Paris—Premier Daladier declares France is resolved to demand respect for "absolute integrity" of all French territory by "every means," answering Italian clamor for Tunisia and Corsica and German colonial demands.

Rome—Italian press accuses France of "provocative attitude" in allowing Tunisian anti-Italian demonstrations; Gayda, authoritative editor, indicates Italy will press demands on France in future.

London—Prime Minister Chamberlain informs parliament he has received assurances that the Italian government "did not associate itself with territorial demonstrations against France.

Tunis—Police guards placed about Italian consulates in Tunis and Sousse after anti-Italian demonstrations in both cities.

Ajaccio, Corsica—Mayor appeals to populace to remain calm after demonstrations against Italy in Ajaccio, Bastio and other Corsican cities. Various organizations send telegrams of loyalty to French government.

Alexandria, Egypt—French editor formally protests against stoning of his home by forty Italian youths who shouted, "Down with France."

PARIS, Dec. 5 (AP).—Premier Edouard Daladier said today France was resolved to demand respect for "the absolute integrity" of all French territory by "every means."

This was his answer to the Italian clamor over French Corsica and Tunisia. Informed quarters read into it an additional message to Germany—France intends to keep her colonies despite Germany's demands.

His declaration as it affected Germany was held significant in view of the arrival here tomorrow of Joachim von Ribbentrop, German foreign minister, to sign a no-war pact and to discuss the political situation.

To Visit Areas After Jan. 1

Daladier's remarks were in a communique announcing his intention to visit Corsica and Tunisia shortly after Jan. 1. He urged inhabitants there to remain calm. The plea followed yesterday's riotous demonstrations against Italy and professing loyalty to France.

Of the Italian press campaign and chamber of deputies' demonstration regarding France and French possessions, Daladier said:

"There is no need to state that these manifestations will meet strong opposition against the cession of any territory over which the national flag floats."

He said the loyalty demonstrations in Tunisia and Corsica were "the best response that could be made" to Italian cries for French territory. He noted that the Italian government had answered a French protest by stating the fascist colonial claims were not formulated by the government.

No Reason to Change Plans

British Prime Minister Chamberlain announced in London he had received assurances the Italian government "did not associate" itself with fascist territorial demonstrations against France and that he, therefore, saw no reason to change his plans to visit Rome, Jan. 11 to 14.

Foreign office sources declared Von Ribbentrop and Foreign Minister Georges Bonnet were not contemplating specific talks on the Italo-French

See Page Two, Column Three

FRANCE TO OPPOSE CLAIMS FOR AREAS

From Page One

issue on Tunisia and Corsica. It was expected, however, that the subject would come up at least in references to the general European situation and its complications.

The two diplomats will try, informed sources said, to smooth out all problems between France and Germany in order to lay the basis for what is hoped to be a lasting friendship.

Italian Troops Mass Near France

French Jittery In New Crisis

Tunisian Riots Bring Clash With Police

Relations Between Two Nations Tense; German Policy Debated.

PARIS. — (A. P.) — Concern spread in France today on reports from the Spanish forntier that Italian troops were concentrating in insurgent Spain within easy striking distance of France.

These reports, which lacked official confirmation, said the asserted Italian troop movement had begun November 22 and was still incomplete.

Reports also spread that Germany and Italy were uniting to enforce Italy's territorial demands on France.

Thousands of students, demonstrating against the Italian clamor for Tunisia and Corsica, battled police in Paris streets.

Also in Tunis, capital of the Tunisia protectorate for which Italians have been clamoring, police clashed with hundreds of Italian citizens attempting a demonstration.

President Albert Lebrun unexpectedly summoned Premier Daladier for consultations on developments in the increasing strain on French-Italian relations.

TRAVELERS REPORT

Reports of Italian troop movements in Spain originated mostly from travelers who had reached France over the Pyrenees Mountains along the frontier. Insurgent Generalissimo Francisco Franco has closed the border between France and insurgent Spain.

These travelers said troop concentrations included motorized units and artillery. One report said more than 10,000 Italians were concentrated at Logrono, in northern Catalonia.

Cries of "Venice for France" and "Ethiopia for the Negus" were raised by the students as they paraded before the Pantheon and along Boulevard St. Michel in the Latin Quarter of Paris.

At the corner of Boulevards St. Michel and St. Germain the students hurled themselves against police lines, but were thrown back by police reinforcements.

The students then assembled in front of a nearby building where an Italian exposition is being held. Again they were dispersed.

STUDY STRATEGY

The demonstrations, echoing others in various parts of France, came as Premier Daladier was called to Elysee Palace by President Lebrun for an unexpected consultation on the French-German war denunciation pact signed on Tuesday, and its possible bearing on the Italian colonial claims.

The president's action was so unexpected that Daladier was forced to cancel a scheduled appearance before his Radical-Socialist party's parliamentary group.

Other groups met during the morning to jockey for last-minute positions before the opening of Parliament this afternoon, when Daladier's foreign policy was due for a bitter attack.

TONGUE IN CHEEK

As German Foreign Minister Joachim von Ribbentrop ended his Paris visit, which resulted in the signing of the French-German war renunciation pact, the political writer Pertinax wrote:

"Germany conspires against the French empire at the very moment when she promises to respect her continental frontiers."

Von Ribbentrop left for Berlin by special train. Prominent among members of the diplomatic colony who went to Invalides Station to see him off was the Italian ambassador, Raffaele Guariglia.

The German foreign minister chatted smilingly with Foreign Minister Georges Bonnet a few minutes on the station platform, and, even after he entered the train, leaned out of the window for a final few words.

A number of French observers reported Chancellor Hitler would call an Italian-German conference at Munich to determine the next move of the Rome-Berlin axis.

The conference, they said, was decided upon after a reported demand by Premier Mussolini that Germany support Italy in her campaign for Tunisia and Corsica.

These reports, coming as Parliament prepared to convene this afternoon, weakened in some quarters and strengthened in others Premier Daladier's reported plan to use the international situation to blast his way to a favorable vote.

Argentine and Hull Reach Compromise

No Formal Defense Plan Likely At Lima Conference.

LIMA, Peru.—(A. P.)—Twenty-one nations of the Western Hemisphere opened the eighth Pan-American Conference today, to work for peace at home and against foreign aggression, but without isolation from the rest of the world.

The momentous developments in Europe and Asia in the past five years, which have seen the rise of Naziism, the intensification of Fascism, and the Japanese incursion of China, made the conference one of the most important in Pan-American history.

ECONOMIC STEPS

The delegates, gathering in the Peruvian House of Representatives, had in mind economic and perhaps political steps against the authoritarian States.

But from the United States Secretary of State, Cordell Hull, who headed his delegation, came the assurance the Americas did not seek to cut themselves off from the rest of the world.

In a preconference radio address last night, he declared that the Americas "do not seek regional solution for economic problems," but that they "recognize the interdependence" of all nations and are eager to see their principles "adopted by all nations of the world."

Members of his delegation said the Secretary meant not to turn a back on Europe and Asia, but to turn and face it, with eyes aware.

DIRECTED TO ARGENTINA

His assurances were seen as directed to Argentina, wishing to retain Old World ties, and against some agitation that the United States direct all its foreign trade toward Latin America.

Hull said the America's were determined "peace shall be maintained on the American continents," that any menace against peace was a "matter of concern to all," and that the conference would seek to increase the effectiveness of "measures adopted already to that end."

This brought from members of the United States delegation a prediction no such projects such as a new definition of the Monroe Doctrine would be advanced.

They felt also that President Roosevelt's continental defense plan would not go beyond a resolution declaring the need for such defense and the intention of the

Britain and U. S. May Unite Against Japan In the Orient.

By the Associated Press.

The home-coming of United States envoys to China and Great Britain occasioned speculation today over possible Anglo-American pressure against Japanese domination of the Orient.

The British and American Governments have expressed concern over Tokyo's gestures toward closing the commercial "open door" in China, but so far there has been no joint action. Whether any is contemplated was not disclosed.

President Roosevelt and State Department officials will canvass the entire Far Esatern situation when Ambassador Nelson T. Johnson arrives next month after an arduous trip from China. He has been ordered to Washington for consultation.

Ambassador Joseph P. Kennedy, who will sail from London Saturday, will be on hand at the same time. Thus he will be able to take back to British officials the latest American views on Japanese economic and political expansion, based on Johnson's report.

AWAIT GREW'S REPORT

The State Department expected to receive today from Joseph Grew, American ambassador to Tokyo, a statement of Japan's views as outlined to him by Prime Minister Arita. Press dispatches said Arita told Grew and the British envoy that the "open door" principle might have to be revised.

Johnson, regarded as a foremost American authority on the Far East, will come to Washington by a roundabout route. From Chungking, China's capital, he will go to Burma by auto over a new highway which the Chinese have cut across mountains.

This road may become an important supply route for the Chinese, now that their Pacific ports have been cut off. Johnson, in taking that highway, will not have to pass through territory held by the Japanese troops. He will fly from Rangoon to London and thence sail across the Atlantic.

MORE DEMONSTRATIONS

Meanwhile, in Rome, anti-French demonstrations continued as 1,200 students marched through the streets shouting "Forward, Italy!" and demanding French teritories. The rising volume of Fascist cries for Tunisia, French protectorate in North Africa, diplomatic circles

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They felt also that President Roosevelt's continental defense plan would not go beyond a resolution declaring the need for such defense and the intention of the twenty-one republics to defend themselves from outside aggression.

They believed no formal defense pact would be proposed.

COMPROMISE AGREED

Argentine sources said Dr. Isidoro Ruiz Moreno, chairman of the delegation, in a conference with Hull, agreed to some sort of compromise on the United States-inspired defense plan. The Argentine group was to study the proposal further today.

Dr. Ruiz Moreno presented to Hull a proposal for rotative periodical meetings of foreign ministers of American nations as a means of avoiding a Colombian-Dominican plan for a League of the American Nations. An Argentine informant said Hull showed great interest in the rotation idea.

United States officials emphasized that no negotiations were contemplated for conclusion of a bilateral defense treaty with Central American countries.

The Chilean delegation drafted three projects for the conference, one to establish procedure for a system of consultation, already indorsed by the Buenos Aires conference of 1936, and a permanent consultation center which would be the equivalent of a diplomatic capital for the Western Hemisphere. The other Chilean projects were technical, for the codification of international law and the registration of treaties.

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MORE DEMONSTRATIONS

Meanwhile, in Rome, anti-French demonstrations continued as 1,200 students marched through the streets shouting "Forward, Italy!" and demanding French terirtories. The rising volume of Fascist cries for Tunisia, French protectorate in North Africa, diplomatic circles predicted, might lead to formal Italian demands for "concessions" there.

In Paris, sources close to Premier Daladier said France would fight, if necessary, to defend the protectorate and pointed out significantly that Italy's neighboring Libya would be far more vulnerable to attack than well-protected Tunisia.

Reinforced mobile guards patrolled the streets of Tunis, the protectorate's capital, and French troops were held in barracks awaiting developments. One person was wounded gravely and three others hurt less severely in disorders accompanying demonstrations by Italians, French and Arabs which lasted almost until midnight.

CLAMOR PERSISTS

The Fascist clamor, begun November 30 when deputies punctuated a speech by Foreign Minister Count Galeazzo Ciano with shouts of "Tunisia! Tunisia!" persisted in the Italian press, in demonstrations at Naples and in outbursts on the island of Sardinia and in Tripoli.

Reports from Spain and France indicated that movements of Italian troops in northern Catalonia, which caused French concern yesterday, merely were part of preparations for a new Spanish insurgent offensive in the dormant Spanish civil war.

In China, Japanese were said to have been routed after a three-hour battle at Yungsui by Chinese defending Nanchang, Kiangsi Province capital and important air base on the Kiukiang-Nanchang railway.

Poland's Ukrainians presented a claim to the speaker of the Sejm (parliament) for territorial autonomy, including the regions of Volhynia and Halicz, nearly 50,000 square miles in size and with a population of 8,000,000.

The question of self-government has been agitating Ukrainians in Poland the past sixteen years, but this was the first time a concrete proposal was presented. The demand, in the form of a bill to be put before the Sejm, was signed by fifteen Ukrainian deputies.

JOHNSON, ENVOY TO CHINA, TOLD TO COME HOME

Concern of U.S. Over 'Open Door' Grows as Japanese Clarify Their Position

By the Associated Press.

WASHINGTON, Dec. 8. — The United States, deeply concerned lest Japan close China's "open door" permanently, has ordered its ambassador to the latter country, Nelson T. Johnson, to return home for consultations with President Roosevelt and state department officials.

The announcement today of this step came simultaneously with further clarification by Japan of her intentions in east Asia, and directly followed Great Britain's declaration that she couldn't possibly subscribe to creation of an economic-political bloc there dominated by Japan.

Joseph E. Kennedy, ambassador to London, unexpectedly advanced his plans and announced he would sail for home Saturday. Whether this foreshadowed some parallel action by the United States and Britain in bringing pressure upon triumphant Japan to prevent her attempted hegemony over all China was not disclosed. Kennedy's return was considered highly significant, however, in view of the fact that Britain, like the United States, has displayed marked signs of worry over events in China.

Tokyo Outlines Plans

In Tokyo today, Prime Minister Arita further outlined Japan's views to the American ambassador, Joseph G. Grew, and the British envoy. Grew's report has not yet reached the state department. However, press reports said Arita told the ambassadors separately that the principle of equality of opportunity and the open door might have to be revised in establishing Japan's "new order" program.

The United States regards such action as inimical to its interests, and has firmly protested in several recent notes concerning discrimination against American trade and interests. Japan's answers have been considered unsatisfactory.

A long and difficult trip lies ahead for Johnson, who leaves Chungking, temporary South China capital, on Dec. 12, but does not arrive here until mid-January. He will travel westward over the new military highway to Burma, take a perilous route of about 200 miles down to Rangoon, thence to London by air, and New York by steamer.

Johnson has advised the Chinese government he will be back as quickly as possible.

Absent for Four Years

Sumner Welles, undersecretary of state, who announced Johnson's forthcoming return, said merely that the envoy had not been back for nearly four years, and that it was deemed advisable for him to return in order to give the president the benefit of his views personally. His visit here will coincide with that of Kennedy, who is expected to spend at least two months in the United States.

Observers believed they undoubtedly would meet at White House conferences, just as three of the president's key ambassadors in Europe have met there this week for a thoroughgoing review of the European situation. Upon the termination of these conferences, Ambassador Wilson, envoy to Germany, left today for a Florida vacation and Ambassador Phillips went to Boston to prepare to sail for Rome Dec. 14. Ambassador Bullitt, who is home from Paris, will remain on duty at the state department for another ten days.

The state department's most recent protests to Japan have been a long note of Oct. 6 complaining against violation of American rights and interests there, and a later protest against Japanese closing of the Yangtze river to foreign shipping. The Japanese reply that a new order was being worked out was considered unsatisfactory here.

JEWS FRAMING 'FINAL' APPEAL

Will Ask F.D.R., Chamberlain for Sanctuary as Reports of New Measures Heard

BERLIN, Dec. 8 (AP).—Jewish leaders were understood to be framing a "last-hour" appeal to President Roosevelt and British Prime Minister Chamberlain for at least temporary sanctuary today as diplomatic quarters heard new nazi anti-Jewish measures were planned.

It was said the next legislation would order the dissolution of marriages between Jews and non-Jews or the gentile partner would be declared Jewish.

The offspring of such marriages now are classed as of "mixed breed." It was not learned what the status of these children would be under the reported pending decree.

It was also reported that a law unifying anti-Semitic measures and closing any loopholes was being planned for the end of December.

Jews to Be "Marked"

Such a law, it was said, would introduce three new phases in the anti-Jewish campaign.

First—A distinguishing mark for Jews, possibly a yellow armband.

Second—A ban on the use by Jews of public vehicles, except by special police permit.

Third—The erection of a number of compulsory labor camps for homeless and jobless Jews. These would be placed in various parts of the country, it was said, near quarries, brick-making plants and the like, where there is heavy work to be done.

Under the reported marriage decree, the non-Jewish wife of a Jew would become Jewish from the moment she declared herself unwilling to accept divorce and would not be allowed to attend Christian church services, diplomatic sources heard.

FASCISTS AGAIN SHAKE EUROPE

Nazi Agitation in Black Sea, Baltic Zones Adds to Unrest Over Duce's African Aims

LONDON, Dec. 10 (AP).—Political unrest stretched today from the Baltic to the Black sea, in eastern Europe, and in the west, on down into Africa, under nazi or fascist inspiration in some form or other.

Ominous rumblings in the east extended along Germany's entire border from little Memel, once part of the Hohenzollern empire, to Rumania.

They led to widespread discussion in London and elsewhere of whether—and, if so, where—Germany would move again in her "drang nach osten"—drive to the east—while Italy, her axis partner, kept Great Britain and France worried in the Mediterranean area.

Three spots offered possible trouble:

First—In Memel, long the center of a dispute between Germany and Lithuania, extreme nazis closed a bold campaign for diet elections to be held tomorrow with statements they considered the voting a plebiscite for return to Germany.

Ukrainians Want Autonomy

Poland [illegible]

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Hull's Proposal at Lima Goes Much Further Than Expected

Forceful Plan Brings Sensation When Presented To Delegations.

By A. L. BRADFORD

LIMA, Peru.— (Copyright, United Press.) — United States Secretary of State Cordell Hull was understood today to have submitted for consideration of leading delegations to the Pan-American conference the question of whether the Americas should join in a forceful, binding agreement designed to bar foreign aggression and foreign ideologies from the Western world.

Conversations among the leading delegates indicated that Hull's plans might go considerably further than previously indicated, although it was emphasized that discussion so far had been of a preliminary nature.

Nevertheless the forceful character of suggestions said to have been made by Hull caused an under-the-surface sensation among other leading delegations.

Hull's project goes far beyond an agreement in principle between the United States and Argentina by which the conference within a few days would make formal announcement of a common American front without a signed agreement — against foreign ideological interference in American affairs or foreign aggression.

NOT A SIGNED ALLIANCE

How far Hull's project goes can be understood from the following resume of its articles. The Secretary does not propose a signed military alliance. The Hull project is as follows:

The American nations would formally declare that any menace from a non-American country would be considered a matter of grave concern by all American nations. Any attempt by non-Americans to implant a political system in conflict or at variance with the domestic political system of any such American nation likewise would seriously concern all American nations.

Further, it would be agreed under the Hull project that in event of such extra-continental menace, the American nations would consult among themselves on the best means of repelling such menace and each nation would contribute to such action in the best manner at its disposal and to the best of its ability.

The Hull project further provides for annual meetings of the foreign ministers of the American nations to consider questions of interest to the American continents.

It is possible that the agreement in principle between the United States and Argentina is such that Argentina will be able to agree to the terms of the Hull project. However, in view not only of the terms of the proposal, but also the fact that it appears in reality to be a formal pact, it is not clear how the implications of the project can be made to accord with Argentina's already definitely announced refusal to sign a formal pact.

MADE CONFIDENT

It is equally possible that Hull has been made so confident on the agreement by Foreign Minister Jose Maria Cantilo of Argentina on the basic principle of the proposed action of the Congress that he has decided to push his project or at least submit for the approval of the various delegations proposals which if they do not go as far as the United States' maximum desides, at least approximate the United States' maximum point of view.

It is also possible that Hull submitted the project in its present form in the hope that whatever concessions may be necessary in toning down its terms, the project will still leave sufficient strength to assure successful consecration of a common American front against foreign menace.

HULL CALLS ON AMERICAS FOR UNITY IN PREVENTING INVASION OF HEMISPHERE

SEES ANARCHY THREAT

Says Mankind Tragically Faced With Choice of Freedom, Serfdom

LAYS DOWN PEACE PLAN

Delegates of Argentina, Peru Keynote Parley, Propose Common Defense Front

BY ANDRUE BERDING,
Associated Press Staff Writer.

LIMA, Peru, Dec. 10.—Cordell Hull, United States secretary of state, told the Pan-American conference tonight "there must not be a shadow of a doubt anywhere as to the determination of the American nations not to permit the invasion of this hemisphere by the armed forces of any power or any possible combination of powers" or by their political activities.

Hull warned the delegates of twenty-one nations that "mankind is tragically confronted once more by the alternatives of freedom or serfdom, of order or anarchy, of progress or retrogression, of civilization or barbarism."

Telling his listeners that an ominous shadow falls athwart our own hemisphere," he said each American nation had to decide for itself what measures to take "to meet its share of our common interest and responsibility."

Says Arms to Be Maintained

But as far as the United States is concerned, Hull said, "let no one doubt for a moment that so long as the possibility of armed challenge exists, the United States will maintain adequate defensive military, naval and air establishments."

The white-haired secretary of state spoke following keynote speeches by Dr. Jose Maria Cantilo, Argentine foreign minister, and Dr. Carlos Concha, Peruvian foreign minister and permanent president of the conference.

The speeches were the only formal business before the conference as a whole. All through the day, however, every corridor of the ornate marble house of representatives, the conference place, was a scene of bustling activity.

The steering committee met and decided the conference should close Dec. 27 and approved for consideration a Cuban resolution against "racial persecution" and decided to have it circulated among the delegates.

The resolution named no nations, but was understood to be directed against German anti-Semitism. It condemned "all religious and racial persecutions" as "opposed to the essential tenets of democracy."

Nazis in Memel Win Election Seen as 'Anschluss' Prelude

Hitler Followers Capture 26 of 29 Seats in the Diet—German Patriotic Songs Are Sung by Marchers—U.S. Citizen Is Beaten

By the Associated Press.

MEMEL, Lithuania, Dec. 11.—Nazis voted heavily and claimed a victory today in the Memel diet elections, which were regarded as a prelude to return of the territory to Germany.

Nazi party quarters declared they had captured at least twenty-six of the twenty-nine seats, although complete results will not be known for at least five days.

At the same time the Lithuanian government at Kaunas, already helpless in administering semiautonomous Memel territory in the face of Germany's power as exerted through local nazis, issued an extraordinary decree "for protection of the state."

(The German official news agency, DNB, said more than 100 persons, including a number of students described as "adherents of Waldemaras," had been arrested since the introduction of the state of emergency.

(Prominent among those arrested, the agency said, was Reserve Captain Iwanauskas, who played a leading role in the 1934 military putsch.

(Augustine Waldemaras, former premier and virtual dictator of Lithuania, whose organization, the "iron wolves," held fascist beliefs, was overthrown by President Antanas Smetona in 1929. Exiled to a nearby farm, he attempted a coup in 1934, when he returned to Kaunas by airplane. He was arrested at the airport, however, and a court-martial sent him to prison for twelve years on a charge of treason.)

Known as the "firebrand of the Baltic" when he ruled Lithuania, he is the grandson of a German immigrant.

The government emphasized that the decree, which applies to Kaunas and surrounding districts, was issued because of activities of the opposition of the extreme right which might be used on behalf of a foreign country to endanger Lithuanian integrity.

Hundreds of Jews fled into Kaunas and the Lithuanian hinterland from Memel because of the way the wind was blowing in that nazified territory of 1,099 square miles. Memel formerly was part of Germany, but was annexed by Lithuania in 1923 with consent of the League of Nations.

When the polling places closed at 8 p.m., it was estimated 95 per cent. of the electorate had cast ballots.

6,000 JAPANESE SLAIN IN RAIDS BY GUERRILLAS

Major Setback in Mopping-up Campaign of Invaders in Shansi Is Reported

ARMS, SUPPLIES TAKEN

Chinese Leaders Say Bands Have Lost Only One of Fifty Engagements

By the Associated Press.

SHANGHAI, Dec. 11. — Guerrilla forces of China's famed Eighth army were reported today to have killed 6,000 Japanese in a major setback to the invaders' long-heralded mopping up campaign in Shansi province.

In addition, neutral reports said large supplies of arms and ammunition were seized by the Chinese carrying on ceaseless hit-and-run attacks against Japanese attempting to gain complete control of the northeast province.

These advices said the Japanese launched a successful offensive against Wutaisha, the Eighth army's fortified base at the foot of Wutai mountain, but were forced to withdraw in the face of the day and night harassing activities of the guerrillas.

The Chinese were reported to be in control of the area surrounding Wutaisha where Japanese outposts and supply lines were being subjected to relentless guerrilla forays.

Other guerrilla successes were recited by the Chinese Fourth route army in Anhwei, Chekiang and Kiangsu provinces. Shanghai and Nanking, two of the main Japanese-captured cities, are located in the latter province.

Chinese military leaders who organized the guerrilla warfare in the three provinces said that since these forces took the field they had lost only one major battle out of fifty engagements.

The leaders, who told of the Chinese successes in a Shanghai tea house interview, produced photographs of Japanese prisoners as proof of their claims.

They made the hazardous journey through Japanese lines to Shanghai to obtain badly needed medical supplies for Chinese wounded, of which they admitted there was a large number.

Japanese advices meanwhile told of heavy aerial attacks along the Hsiangchow-Kweilin and Canton-Hankow railways, where the invaders reported widespread damage to rolling stock, right of way and warehouses.

New Canton Offensive Seen

A Kuomin (Chinese news agency) dispatch from Linhsien said Gen. Pai Chung-hsi, recently appointed deputy commander of Chinese forces, had been given full charge of military operations in Kwangtung, southern province in which Canton is located.

His selection for the job, decided upon at a military conference presided over by Generalissimo Chiang Kai-shek, was said to have been followed immediately by preparations for a major Chinese offensive aimed at recapture of Canton. Kuomin said a major battle was expected momentarily.

On other fronts in the interior the Chinese reported advances against the Japanese.

The asserted victories included:

First — Recapture of Lungwankiao and Sinkaitang, north of the Sinkiang river, and an advance to within five miles south of Yochow.

Second—Recapture of Tsaoshuh, 100 miles from Hankow, breaking the Japanese offensive westward from the fallen provisional capital toward Shasi and Ichang.

NAZIS ARE WINNERS IN MEMEL ELECTION

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symbols in defiance of an election commission ban.

An appeal published in the name of Waldemaras called on Lithuanians to vote for German candiates. Lithuanians disclaimed the appeal and charged it was published by Germans.

Thousands of voters gathered at the polls hours before they opened at 8 a.m. for the election which individual nazis have declared was a "plebiscite" for a return to Germany. By 11 a.m. more than half had voted.

Processions of Germans marched from village to village singing German patriotic songs and in many villages mayors headed the groups marching to vote.

Green, white and red flags used by the German Memel party, led by 50-year-old "Horse Doctor Fuehrer" Ernst Neumann, a veterinarian, flew over farm and city homes.

Village banners, swung across the streets, declared: "We are and shall remain forever German."

The election itself was marked by order among the 152,000 population—the only casualty in pre-poll activities being an American named Robert Sellmer, a free-lance newspaperman.

(Reuters, British news agency, reported that Sellmer was a contributor to Ken magazine.)

Sellmer's statement to the Lithuanian bureau of public activities, which was corroborated by a Kaunas journalist who was an eyewitness, said he was beaten by three uniformed guards for not replying to the Hitler salute as he was crossing a street in Memel early this morning.

Two policemen intervened, he said, and he was taken to the police station, where one policeman held his arms while another beat him in the face with fists.

The only English he understood the police to use as they punched him, he said, were a few curse words and "American Jew," which they repeatedly called him. Sellmer is unable to speak German.

He was released later with his face badly bruised and one eye closed. The American minister at Kaunas was informed of the incident.

JUBILANT NAZI QUICKEN ANGER OF LITHUANIANS

Armed Clash Is Feared in Memel—Germans Said to Insult Natives

LONDON, PARIS ANXIOUS

Chamberlain Says They Hope Hitler Will Not Annex Lithuania's Stepchild

By the Associated Press.

KAUNAS, Lithuania, Dec. 12.—The rising anger of Lithuanian soldiery caused fears tonight of an armed clash in Memel between the garrison and nazis jubilantly celebrating their victory yesterday in Memel diet elections.

Col. Andrasiunas issued a statement that he would not be responsible for the conduct of his troops in Memel if the nazis continued to insult Lithuanians.

Nazis saw the semi-autonomous territory, once a part of East Prussia, approaching reunion with the reich as a result of the election, while Antanas Smetona began his fourth term as president of Lithuania with the troubled words:

"We small countries must be careful."

Smetona Faces Trouble

Agitation in tiny but truculent Memel to go "back to the reich" and trouble from his rightist foes in Lithuania proper beset the all-nationalist government of the peasant-born Smetona, who has been Lithuania's chief of state with only a brief interruption since the nation became independent after the war.

(Lithuania has 55,670 square miles, of which the Memel territory, formerly a part of Germany, comprises 1,099 square miles.)

State Police Ousted

Without waiting to count the votes of Sunday's Memel diet election, which they were confident would give them all but two or three seats, the Memel Germans told the Lithuanian state police to get out.

Both Smetona and Memel's veterinarian "fuehrer," Ernst Neumann, awaited word from Reichsfuehrer Adolf Hitler as to whether he wants Memel attached to Germany or merely German in fact, but not in name.

(Prime Minister Neville Chamberlain told the British house of commons Monday that Britain and France had formally expressed the "hope" that Chancellor Hitler would not annex Memel.

(France and Britain are signatories of the 1924 convention which established Memel's autonomous status under Lithuanian sovereignty. Other signatories are Italy and Japan, friends of the reich. Memel was detached from Germany by the Treaty of Versailles.

(In Berlin, the German foreign office mouthpiece, Deutsche Diplomatisch Politische Korrespondenz, said "how the Lithuanian government will act toward the new expression of the will of Memelland is essential for determination of future developments." It said there is no "traditional enmity" of Germans toward Lithuanians.)

Word of Hitler's position was expected to be carried to Kaunas by the German minister, Dr. Erich Wilhelm Zechlin, who now is in Berlin.

Berlin to Decide Its Fate

Neumann already has said "the fate of Memel will not be decided here." Political observers said that meant it would be decided in Berlin.

In his address on taking the presidential oath, Smetona stressed his desire to co-operate with Germany in fulfillment of complete Memel autonomy, which now is limited by certain Lithuanian sovereign powers.

Just how far Berlin and the Memel nazis will go in their demands will become clear to Europe when the new Memel diet, or parliament, meets in January.

In Kaunas the authorities closed the local university in the face of student strikes which followed arrests of 100 students and at least one right-wing politician.

The government proclaimed on Saturday a six-month decree "for the protection of the state," and the arrests followed. The authorities, asserting activity of the rightist opposition might be used on behalf of a foreign country, said persons causing political disturbances would be liable under the decree to exile, work in a labor camp or imprisonment.

Smetona himself promised "strong measures against persons endangering Lithuanian freedom." Armed police and troops guarded his route today between the presidential palace and the

NAZIS INSULTING, LITHUANIANS SAY

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parliament building, where he took the oath.

The decree ousting the Lithuanian state security police from Memel was issued by the Memel directory, a five-member body which exercises executive functions in the territory. Hereafter the directory will recognize only the Memel autonomous police.

Kaunas sources said Lithuania probably would bow to the decree and withdraw the Lithuanian police, However, it was pointed out, this might mean the Lithuanian opposition would be able to concentrate its activities in Memel.

The larger developments completely overshadowed interest in the actual result of the Memel elections, which were important only as a vehicle for the "back to the reich" movement. The Germans already had twenty-four of the twenty-nine diet seats. They won't know until the week-end how many they got Sunday. It is presumed they won several more.

Brazilian Heads Lima Body For Organization of Peace

Alfranio de Mello Franco's Election Is Held Highly Significant in View of Nation's Stand for Protection of New World

By the Associated Press.

LIMA, Dec. 12.—Executive committees of the eighth Pan-American conference cleared the decks today for swift consideration of important projects for consideration of the Western hemisphere.

Alfranio de Mello Franco, former foreign minister of Brazil, was chosen chairman of the committee for the organization of peace, which will discuss continental defense and unification of existing peace treaties.

Delegates placed much significance in the choice of the Brazilian, since his country is one of the foremost of the American republics favoring strong organization of the Western hemisphere against outside aggression.

With Mello Franco presiding, the chances for reaching a strong resolution or possibly an agreement for continental defense were believed appreciably improved. The Brazilian did not want the chairmanship, but accepted on the insistence of Central American nations and Peru and Colombia.

Delegates said this meeting should be the most businesslike Pan-American early closing date indicates an intention to get down to business and waste as little time as possible on oratory.

Alf M. Landon, former governor of Kansas and 1936 republican presidential candidate, is the chief United States representative on the committee for organization of peace.

A sweeping project offered by Venezuela, calling for immediate consultation and common action by the American republics in event of aggression by a non-American nation, was among measures before the committee.

Argentines said Argentine and Mexican delegates were working jointly on a Western hemisphere security plan which they expected to be presented to the conference by a group of nations.

These sources added that Argentine and Mexican representatives were making progress on a plan for a declaration calling for the end of the Spanish civil war and proferring mediation.

Diogenes Escalante, Venezuelan minister to Washington, was chosen chair-

GAYDA INSISTS ON 'OPEN DOOR'

Italian Editor Airs Fascist Demand for Concessions on Gateway to Ethiopia

ROME, Dec. 12 (AP).—Virginio Gayda, authoritative fascist editor, sounded Italy's demand today for an open door to her Ethiopian empire through French Somaliland.

He indicated the least Italy would ask of France would be better and cheaper shipping facilities at the port of Djibouti, a larger share in the Djibouti-Addis Ababa railroad and reduction in rates, and an end to alleged anti-Italian activity in the French colony.

Gayda, writing in his Il Giornale d'Italia, charged Djibouti not only was a base for French opposition to Italy's colonial expansion, but a parasite feeding on "the blood of Italian shipping and labor."

Since the fascist anti-French agitation began Nov. 30, the editor has aired grievances against France in Tunisia and a desire for lower tolls and a share in control of the Suez canal.

Streets Named for Coveted Areas

While Gayda continued to expound against France, the city of Pesaro, on the Adriatic coast, changed the names of three streets to Nizza (Nice), Corsica and Tunisia, all French territories which figured in the Italian clamor.

The editor, who is close to Foreign Minister Count Galeazzo Ciano, charged that Djibouti "always has been an active center of France's war, silent, but continuous, against Italian interests."

He alleged the city was a center of antifascist activity from which Tecle Hawariate, former Ethiopian diplomat, still was sending encouragement to rebel bands holding out against the Italians in Ethiopia.

Ethiopian officials still occupied their former consulate in Djibouti and the city was a center for smugglers of Italian lire and Ethiopia's big silver thalers, he said.

Gayda asserted the port facilities and the railroad under French operation were inefficient and costly for Italians, although the only shipping was between Italy and Ethiopia.

Jews to Pay 5 Per Cent. of Wealth Today as First Installment on Fine

By the Associated Press.

BERLIN, Dec. 14. — Preparations progressed quietly today for payment tomorrow of the first of four installments of the $400,000,000 tribute levied by the German government against Jews for the slaying in Paris of Ernst vom Rath, legation secretary.

Foreign journalists learned of cases in which Jews protested they did not have the cash and could not raise the amount required. Each Jew must pay as the first installment 5 per cent. of his total wealth, in cash if possible.

These protesting Jews were asked to turn in their family jewelry. With some trouble officials were persuaded to accept securities in lieu of cash. Securities so obtained are being deposited in a state institution, which will convert them gradually in order not to upset the market.

The total $400,000,000 fine is to be paid by a total assessment of 20 per cent. of the wealth of Germany's Jews as declared by them last April 27 under a compulsory order. The last of four equal installments is due Aug. 15, 1939.

In Vienna some Jews began paying the fine today. Long lines of those who had cash and hoped to avoid an expected rush tomorrow filled postoffices where they paid the installment by money order.

Banks, where payment by means other than cash is to be made, were prepared for a stampede tomorrow.

Those who pay by money order write on the border, "Atonement payment," and address it to their district tax office. Jews said only a small percentage would be able to offer cash.

Complications arise when cash is not available. Banks have special forms on which Jews explain why they cannot pay cash, and detail what stocks or bonds or real estate they wish to be used to pay the fine.

Three such forms are to be filled out. One is retained by the Jew in case he is challenged as to whether he paid his fine.

Other forms are sent to Berlin and notification later is given as to which stocks and bonds offered are acceptable, and at what price.

Payment by real estate takes still longer, as it must be appraised by local tax officials and approved by a Berlin central office handling the fine.

Nazis to Recall Maids

BERLIN, Dec. 14 (AP).—Some 3,000 German maidservants now employed in The Netherlands will be summoned back to Germany by Feb. 1, 1939, to relieve the domestic help shortage in the reich, a foreign office spokesman said today. He declared, however, that Amsterdam reports that 25,000 would be called home were exaggerated.

BRAZILIAN ELECTED PEACE GROUP HEAD

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American union and reports.

Landon, despite a late party at which he learned the Lambeth walk with Mrs. Laurence Steinhardt, wife of the United States ambassador to Peru, and Senora Carlos Concha, wife of the Peruvian foreign minister, turned up bright and fresh for the meeting of the organization of peace committee.

Foreign Minister Jose Maria Cantilo, of Argentina, left for Buenos Aires after instructing his delegation to proceed upon the outlines of his speech Saturday, but no further.

In that speech he said the American nations were ready to maintain a common front against any danger which might menace the independence and sovereignty of any of them. He declared, however, that no pacts were necessary for defensive purposes.

United States Secretary of State Cordell Hull carefully kept himself from any of the committees, but will continue to function as chairman of the United States delegation and to consult with other delegation chairmen.

WOULD AID U.S. IN PROTECTION OF NEW WORLD

Colombia Proposes That All Americas Be Responsible for Monroe Doctrine

BY ANDRUE BERDING,
Associated Press Staff Writer.

LIMA, Dec. 14.—A Pan-American Monroe Doctrine under which all countries of the Western Hemisphere would assume the burden thus far maintained by the United States alone came before the Pan-American conference today.

Foreign Minister Luis Lopez de Mesa of Colombia, told the committee for organization of peace that the "Monroe Doctrine can now be widened to embrace all free America as a subject of responsibility."

Mexico, apparently mindful of controversies with the United States over expropriation of lands and oil properties, followed the lead of Argentina in submitting a resolution asking that the conference reaffirm past decisions that force must not be used for collection of debts between nations.

It was believed the resolution had little chance of passage, since there are already sufficient accords and agreements among American states against forcible debt collections.

Lopez de Mesa called attention to pressure of European events and political theories on the Americas in his proposal for a broadening of the doctrine proclaimed in 1823 by President James Monroe in a hands-off- the-Americas warning to Europe.

Praises United States Statesmen

"National interests of the United States are coinciding with those of individual states of Latin America," he asserted in praising the "wonderful broadening of ideas of great statesmen" of the United States.

He made his proposal during a plea for Colombia's project for a League of American nations, which the conference seemed likely to postpone until its next meeting in 1943.

Behind - the - scenes discussion for reaching a common plan on continental defense went ahead, Secretary of State Cordell Hull conferring on the subject with Dr. Isidoro Ruiz Moreno, chairman of the Argentine delegation. Argentine sources said a defense proposal had not yet been submitted formally because approval of all delegations had to be obtained.

An Argentine-Mexican plan for a declaration calling for an end to the Spanish civil war narrowed down through discussions to a simple appeal to the Spanish people to end the conflict.

The original idea of offering Pan-American mediation virtually was abandoned because some delegates argued that at the moment when American nations were denouncing any European intervention in the Western Hemisphere they should not attempt to interfere in European affairs.

The conference began a study of the report of the legal experts committee recommending a declaration against recognition of territory acquired through aggression.

The suggested declaration had three points: That armed aggression was unlawful; that conquest was not admissible as a means of acquiring territory and that no recognition would be accorded acquisition of territory through arms, under pressure of armed force, or through any other coercion.

American delegates were interested in getting an interpretation of whether the principle should be applied to the Western Hemisphere or be worldwide because of United States problems of recognition or nonrecognition of Ethiopia, Manchukuo and Japanese China conquests.

German Is Convicted As Spy in Canal Zone

CRISTOBAL, Canal Zone, Dec. 14 (AP).—A federal court jury today convicted a 26-year-old German, Hans Heinrich Schackow, of unlawfully obtaining information on the defense of the United States.

The jury deliberated about two hours before returning its verdict in the Canal Zone's first espionage trial. Schackow probably will be sentenced Dec. 22 when the court will hear a motion for a new trial.

Schackow, a German steamship company employe, was charged with taking photographs of Canal Zone fortifications in October with three other Germans. The others are Ingeborg Waltrunt Gutman, 19-year-old girl secretary; Robert Edward Kuhrig, 29, and Gisbert Wilhelm Gross, 26.

Kuhrig's trial has been set for Jan. 4. The other two will be tried later.

NO CONCESSION, FRANCE WARNS

Will Fight Before Yielding an 'Inch' of Land, Bonnet Tells Italy, Reich

PARIS, Dec. 14 (AP).—Foreign Minister Georges Bonnet told applauding members of the chamber of deputies foreign affairs committee today that both Italy and Germany have been warned that France would fight before she would cede an "inch" of her territory.

Members of the powerful committee quoted him as saying Italy must understand "she will never have an inch of any part of French territory no matter what means she uses."

The warning was given point by Navy Minister Cesar Campinchi, who told the navy committee that despite the Italian arms program and delays in French building, the French navy was stronger than that of Italy.

Bonnet told the foreign affairs committee he had made France's position clear to the German foreign minister, Joachim von Ribbentrop, during Von Ribbentrop's visit to Paris Dec. 6 to 8, and had won German assurances that the nazis were "not interested" in the Mediterranean.

Warning Given to Italy

Italian Foreign Minister Count Galeazzo Ciano, Bonnet said, also was given France's views with the warning she would not give up any of her empire even if it meant war to oppose giving it.

Ciano was said to have replied that his government was not responsible for "spontaneous" fascist demonstrations in the Italian chamber of deputies and on the streets of Italian cities and the anti-French campaign of the Italian press, all hinting Italy would like more rights in Tunisia, French North African protectorate.

Concerning the Spanish civil war Bonnet said that he had impressed upon Von Ribbentrop France's desire to see foreign volunteers withdrawn under the London nonintervention accord, and that the German foreign minister had replied only about 3,000 German volunteers remained in Spain.

Bonnet told the deputies recent reports of a German-sponsored movement for an autonomous Ukraine were "exaggerated."

BRITAIN TO BAR ITALIANS' MOVE AGAINST TUNIS

Thrust Would Be of 'Grave Concern,' Chamberlain Tells Parliament

SCHACHT ON TRADE TRIP

Refugee Problem May Come Up, but Fund Collectors Reject Ransom Idea

By the Associated Press.

LONDON, Dec. 14.—Prime Minister Chamberlain declared today that an Italian attack on French Tunisia would be a matter of "grave concern" to Britain.

He made the declaration in the house of commons, where in the meantime anger had mounted over the German boycott of Chamberlain's Tuesday night speech deploring the anti-British tone of the German press.

It was in answer to a question from Laborite Arthur Henderson that Chamberlain again reassured France of Britain's "identity of interest." Henderson had asked whether "undertakings in respect of the status quo in the Mediterranean as embodied in the British-Italian agreement applied to Tunis."

Chamberlain replied that "certainly" the London-Rome accord, put into force Nov. 16, applied to Tunisia.

Doesn't "Contemplate" Attack

"We cannot, however, contemplate the possibility of such an attack as suggested in the question put by Mr. Henderson."

The Italian government decided today to spend about $526,000,000 for military purposes in the next fiscal year as an "unavoidable necessity in view of the situation."

Chamberlain acknowledged that an Italian attack on Tunisia would violate the British-Italian accord on preservation of the status quo in the Mediterranean—the "bread route" of both Britain and France.

British-Italian relations were not helped by an admission in commons by Richard Austen Butler that Italy recently had sent aid to the Spanish insurgent generalissimo, Francisco Franco. Butler is undersecretary of state for foreign affairs.

The Spanish civil war was expected to figure largely as a topic of talks when Chamberlain visits Premier Mussolini in Rome Jan. 11-14.

Another facet of the many-sided European situation was highlighted by the arrival from Berlin of Dr. Hjalmar Schacht, president of the Reichsbank, who came to London supposedly with a combined scheme of getting rid of Jews and German exports at the same time.

Refugee Problem May Be Topic

Schacht was the guest of Montagu Norman, governor of the Bank of England, who, informed quarters said, had been told the views of the intergovernmental refugee committee so that he might take the refugee problem up with Schacht.

Whatever financial scheme Norman and Schacht might work out for the emigration of German Jews it became clear today that they would not be able to count on any money from the Lord Baldwin fund for refugees.

Within a few hours after the German financial wizard arrived, the executive committee of the fund issued a statement that it had no intention of discussing with Schacht a plan attributed to him under which foreign benefactors would lend foreign exchange to emigrating Jews so that they might take German goods with them in lieu of their fortunes.

In addition to the refugee question, it was believed Schacht would attempt to head off a British-German trade war.

Trade Retaliation Threatened

On Dec. 1, R. S. Hudson, secretary of the overseas trade department, accused Germany of unfair trade tactics and threatened "to beat her at her own game." A week later the government introduced a new bill to increase vastly government subsidies to British industries.

It was generally supposed that Schacht was sent to London specifically to block any further action which might damage Germany's Danubian trade program.

The labor party announced it would debate Chamberlain's policy in the house of commons Monday on a motion that "this house has no confidence in the foreign policy of his majesty's government."

Japan Offers Armistice to China

Present Terms For Withdrawal Of Soldiers

Chamberlain Says Britain Concerned Over Italian Demands on France

(Compiled from Associated Press and United Press Cable Dispatches.)

Chinese political sources said today that Japan's most famous military figure, Gen. Kenji Doihara, was approaching Chinese leaders with a plan for settlement of the war in China.

Doihara, a mysterious militarist with an almost legendary reputation as an undercover agent, brought instructions for a settlement to Shanghai, the Chinese asserted, but it was highly uncertain whether the Kuomintang (National Government party) leaders would be interested.

THROWING JAPS BACK

Recently Chinese have claimed their troops were throwing the Japanese back in the southern areas and that they expected to recapture Canton with an army now swinging into action in South China.

Doithara was said to have been empowered to offer withdrawal of Japanese troops in return for:

1 Recognition of the Independence of Manchukuo and inner Mongolia.

2. Granting of prior rights for Japan to exploit cotton coal, iron and salt in the Northern China regions.

3 Adherence of China to the Anti-Communist pact signed by Japan, Italy and Germany.

Meanwhile, British Prime Minister Neville Chamberlain warned in the House of Commons that any Italian aggression toward French Tunisia would be a "matter of grave concern" to Britain. Anger was mounting in Commons over a Nazi rebuff to the prime minister.

Chamberlain's blunt notice came in response to a question in parliament inspired by the recent Italian clamor for Tunis and other French possessions.

SCHACHT IN LONDON

In the midst of ruffled Anglo-British feelings, Dr. Hjalmar Schacht, president of the Reichsbank, arrived on an unofficial visit, reportedly to discuss financing of German Jewsh emigration.

In Paris, Foreign Minister Georges Bonnett told the if it means war, the Italian Chamber of Deputies Foreign Affairs Committee that "even Government will never obtain an inch of Tunisia, Djibouti, Corsica or any other part of the French empire."

Prime Minister Chamberlain's rebuke of the German press last night and the consequent absence of all German representatives from the dinner where he spoke raised speculation whether a barrier had arisen to any full peace understanding between the two powers.

Chamberlain deplored the tone of the German press in its recent "vituperation" of former Prime Minister Baldwin and reminded his listeners that "history teaches us that no form of government ever remains the same."

The German ambassador and all German press representatives, after seeing advance copies of the speech, stayed away from the dinner.

A German Foreign Office spokesman said "we are frankly astonished," but then added the incident could be considered one of the "ups and downs of politics . . . not to be taken too seriously."

DALADIER STRENGTHENED

Frenchmen declared that Chamberlain's statement that Anglo-French relations "pass beyond mere legal obligations" gave added strength to Premier Daladier's hand, particularly in the face of Italian clamor for French territory.

In Rome, however, that part of his speech was soft-pedaled and stress laid on his assertion he would continue his policy for appeasement. This was interpreted to mean Italy would get something when Chamberlain confers with Il Duce next month.

At the same time Italy announced an increase of $129,770,000 in appropriations for her armed forces in the 1939-40 fiscal year.

In the Western Hemisphere, the Pan-American conference considered withholding recognition from territorial gains made by force, while among Latin-American delegates feeling grew that European political pressure is the greatest threat to the Americas.

Mentioning the ever-increasing interdependence of all nations, Hull said, "Hence we do not seek a merely regional solution alone, but one broad enough to take into full account those world conditions and problems which materially affect regional welfare.

"We are establishing among ourselves a system of relationships which is in accord with our institutions and principles. We believe the principal bases of this system are applicable to relationships among all nations and we eagerly welcome the co-operation of each and every country of the world in their support."

Hull declared, however, that the fundamental principles for which American nations fought in their struggles for independence are now in other parts of the world "being subordinated to other philosophies or purposes."

He concluded by saying that for success at Lima "we must have the continued and increasing support of all our peoples, for it is only with that support that our freedom, our individual liberty and the security of our countries and our institutions can be safeguarded against possible threat of armed force, anarchy and intolerance."

Former Gov. Alf M. Landon, of Kansas, probably will make the closing address before the conference for the United States delegation, several delegates said. Hull already has mentioned such a probability. The only difficulty was Landon's desire to fly back to the United States in time to be home for Christmas.

If the conference ends Dec. 20, as some believe, he will have time to make the address, but if it lasts until Dec. 23, he might have to leave before the closing date.

AMERICAS DISCUSS STEPS FOR PEACE

From Page One

spiritual unity far greater than ever before."

The secretary declared that he saw "much less rivalry, whether between countries or individuals," than in previous conferences and added that he was convinced American republics do not seek to impose their form of government or institutions on other peoples.

"We do believe international relations can be conducted on a basis of peace, international law and order, an appreciation of each other's problems and recognition that the welfare of peoples is the primary concern of governments."

Americas Begin Discussion Of Steps to Maintain Peace

Assured by Secretary Hull World Situation Is 'Grave,' Conference Begins to Formulate Plans for Protecting Western World

Text of Secretary Hull's address is printed on Page 6.

LIMA, Dec. 13 (AP).—Nations of the Western Hemisphere, assured of what Secretary of State Cordell Hull called a "grave world situation," took first steps today to organize for peace in the New World and protection from the Old.

Putting aside what Hull termed "excessive and short-sighted nationalism," the nations plunged into discussion of far-reaching projects before the committee on organization for peace.

In a radio address tonight at the end of the day's sessions of the twenty-one-nation Pan-American conference, Hull declared American nations were "keenly aware of the threat to their principles and institutions which had arisen elsewhere in nations holding alien ideas which they seek to impose by force or extend by deception.

"Unless I mistake the prevailing attitude here," he added, "the American nations are determined to defend these institutions and principles of their own choice."

The committee on organization of peace, meeting under the chairmanship of Alfranio de Mello Franco, former foreign minister of Brazil, reviewed proposals before it under four headings:

First—Perfecting and co-ordinating inter-American peace instruments.

Second—Creating an inter-American court of international justice.

Third—Creating a league of American nations.

Fourth — Declaring an American doctrine of nonrecognition of territory acquired by force.

Mello Franco named Ernesto Barros Jarpa, of Chile, general spokesman for the committee, and directed organization of subcommittees to consider each separate subject.

United States delegates said they had no desire, at this early stage, to agree on any plan advanced by other delegates for continental defense. Hull's intention, they said, was to refrain from taking a position until after full discussion of problems of defense in committee.

During the day a Brazilian proposal to deny alien minorities in Latin America any special minority rights, such as Sudeten Germans demanded of Czechoslovakia, was referred to the committee on international law. Brazil has large German and Italian minorities.

Mexico proposed a declaration against aerial bombardments in wartime, and the United States delegation led in preparation of economic proposals which would link the Americas by increased trade.

The Argentine delegation, meanwhile, was attempting to co-ordinate three plans for a declaration calling for an end to the Spanish civil war. The plans were prepared by three Argentine delegates—one a rightist, one a leftist and the third of the political center.

In his radio address Hull said his talks with delegates of other powers led him to believe that "there exists among us a measure of moral and

See Page Seven, Column Three

Percentage May Be Raised

It was said the nazi officials probably would not be able to realize enough from the sale of the property relinquished by the Jews, however, and there was talk of boosting the next three installments from the 20 per cent. base to a 25 per cent. base in an effort to insure the collection of the 1,000,000,000-mark total.

Most Jews had arranged previously to pay their share by money order, so that Berlin banks had comparatively little to do with today's $100,000,000.

There were no signs of disturbances or special guards at the finance ministry offices where the fines were payable, and officials made no attempt to separate Jews from non-Jews who were paying fines, taxes or other bills at tellers' windows.

Casual visitors would not have known this was a special tribute day for Jews, for interspersed among the taxpayers were no more Jews than on an ordinary day. This was said to be because each Jew had previously received an order indicating the amount of his part of the Vom Rath fine and had sent his money to the finance ministry without waiting for the last payment date, if he had been able to raise the necessary cash.

SPARE AMERICAN JEWS, U.S. AGAIN ASKS NAZIS

WASHINGTON, Dec. 15 (AP).—The United States government, calling upon Germany once more for assurances that Americans living there would not suffer under anti-Jewish decrees, kept to itself today whether some form of retaliation would be undertaken if the request were refused.

The state department made public a note which Prentiss Gilbert, charge d'affairs of the American embassy in Berlin, delivered to the nazi foreign office yesterday.

It asked Germany to state that "American citizens will not be discriminated against in Germany on account of race or creed and that they will not be subjected to provisions of the nature of those embodied in the decrees in question."

Asked at a press conference here whether the United States contemplated any retaliatory measures, Sumner Welles, acting secretary of state, said he did not intend to comment on that matter for the time being.

JEWS PAY LESS THAN EXPECTED

Additional Levies on Wealth Believed Likely to Make Up Vengeance Tribute

BERLIN, Dec. 15 (AP).—Additional levies on German Jewish wealth were considered likely today as finance ministry officials indicated the first installment of a $400,000,000 fine on Jews failed to reach expectations.

The officials were skeptical whether the full "tribute" of 1,000,000,000 marks ($400,000,000) for the slaying last month of the German diplomat, Ernst vom Rath, by a young Jew in Paris could be exacted from German Jews on the basis of a 20 per cent levy decreed Nov 12 on Jewish fortunes above $2,000.

Payment of the first quarterly installment today was orderly and businesslike, as far as could be determined, but it was indicated that the Jews were found not to have as much ready cash as it was first thought and offered bonds, stocks and real estate to make up the amounts levied against them.

FRANCO GIVES EX-KING RIGHTS

Rebels Restore Citizenship and Property of Former Spanish Monarch

BURGOS, Spain, Dec. 15 (AP).—The insurgent government tonight restored full citizenship rights to former King Alfonso of Spain.

The decree was adopted at a council of ministers over which Generalissimo Francisco Franco presided.

(Last year it was reported that Franco might agree to put Alfonso's youngest son, Prince Juan, on the Spanish throne and that Alfonso, who left the throne on April 14, 1931, would not object.)

Franco personally read the law before the council, declaring null and void a decree approved by the Spanish courts in November, 1931, stripping the former king of his rights as a citizen of Spain.

The law not only restores Alfonso's full legal rights, but also restores to him all his personal estates and properties in Spain.

Alfonso left the country on April 14, 1931, after proclamation of the republic, and since has lived principally in Italy.

Summer Palace Returned

Properties returned to the former king under provisions of the new law include the famous summer palace, Magdalena, at Santander, Spain.

The council of ministers made no statement on the reasons for its action. After the session, this statement was issued:

"Generalissimo Franco, as head of the state, read before the council of ministers a law by virtue of which are removed the injustices which the constitutional cortes (of republican Spain) on Nov. 25, 1931, committed against Don Alfonso de Bourbon.

"By the law passed, former King Alfonso is restored in all rights that correspond to him as a citizen of Spain, and the law of the constitutional cortes that deprived him of his legal rights as well as any other dispositions taken before or later by which he was deprived of his patrimony are declared void."

Chamberlain Warns Nazis Of British Financial Power

Points Out Vast Resources Might Be Decisive if War Comes—Schacht, Reichsbank Head, in London Trying to Avert Trade War

By the Associated Press.

LONDON, Dec. 15.—Prime Minister Chamberlain pointed today to possibly the weakest point in Germany's armor with a warning to nazi leaders that Britain's vast financial resources might prove decisive in a long-drawn war between the two nations.

Speaking at a luncheon at the house of commons, the prime minister represented British financial power as a curb on nazi thoughts of war. He said:

"We may take it that when German statesmen—I will not say the German people—reflect on the possible consequences of a conflict, if ever a conflict should arise between our two countries, they think not only of our armaments, but of our great financial resources, which in a war of long duration might well prove to be a deciding factor."

Dr. Hjalmar Schacht, president of the German reichsbank and probably the German statesman most aware of British financial power, was in London, presumably seeking to avert a threatened trade war and possibly to work out some scheme for the emigration of Jews from Germany.

The luncheon was private, however, and Schacht did not attend. It was in honor of Lord Bicester, formerly Vivian Hugh Smith, recently elevated to the peerage. Lord Bicester is a partner in the financial concern of Morgan, Grenfell & Co.

Schacht was conferring with officials of the Bank of England today to try to allay—according to the general opinion of the British press—a British threat to "beat Germany at her own game" in barter trade. The threat was expressed Dec. 1 by R. S. Hudson, secretary of the overseas trade department.

Chamberlain, it was noted, made a point of drawing a line between German statesmen and the German people as he did Tuesday night in his banquet speech to the Foreign Press association which the German ambassador Herbert von Dirksen, and other Germans, refused to attend.

In his Tuesday speech Chamberlain reiterated his belief that the German and British people never wished to go to war again, the substance of the declaration he and Reichsfuehrer Hitler signed at Munich Sept. 30.

Some observers linked today's speech with Chamberlain's statement Tuesday night that "it is to reason we are prepared to listen and not to force" and regarded the relationship as a further sign of a stiffening British attitude toward Germany.

The chief reasons for this appeared to be widespread indignation in Britain over the nazi anti-Semitic drive and what one cabinet member, Earl Winterton, chancellor of the Duchy of Lancaster, recently described as "a growing feeling that there is nothing we can do to satisfy Germany."

THE ARGENTINE BLOCKS HULL'S MAIN PROPOSAL

U.S. Abandons Hope of Pact for Continental Defense, Offers Substitute Plan

ALL ACCORDS COMBINED

Argentines Assert They Fear New U.S. Administration Might Change Policy

BY ANDRUE BERDING,
Associated Press Staff Writer.

LIMA, Peru, Dec. 15.—The United States abandoned hope of reaching an inter-American pact against outside aggression today and put before the Pan-American conference a project to unify all existing peace agreements among the twenty-one American republics.

The proposal would create a kind of Pan-American peace constitution and embraced in twenty-three exhaustive articles of one twelve-page document all the accords, resolutions and declarations of previous Pan-American conferences on peace, conciliation and arbitration.

The abandonment of hope of reaching an accord for continental defense was due to Argentina's insistence she did not want a pact, but would agree to a resolution or statement of American unity.

Behind-the-scenes discussions indicated that Argentina not yet was convinced the United States' good neighbor policy would be permanent.

Protection From U. S., Also

Argentina, according to Argentines, wants a resolution worded to provide for defense against aggression from any direction.

That wording ostensibly would protect Latin America from possible aggression from the United States as well as from other continents.

The Argentines indicated they feared a change of administrations in Washington might alter the present good neighbor policy.

United States delegates, however, continued to insist the wording should refer to outside aggression.

They held that Latin America, if it desires protection, was safeguarded sufficiently through agreements reached at previous Pan-American conferences for maintaining peace and abandoning intervention in the Western Hemisphere.

Women provided the conference with the first spirited session as the committee on women's civil and political rights broke into two camps over the report of the inter-American women's committee on the status of women in Latin America.

A plenary session of the conference was announced for next week at which the two groups of women are to plead their cases—one demanding a treaty and the other a simple resolution calling for equal political and legal rights for women in the Western Hemispehere.

Arbitration Plan Changed

The United States plan for unifying peace agreements, one of eight suggestions presented to the conference by the United States delegation today and the result of a month's work by

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ARGENTINA BLOCKS MAIN U.S. PROPOSAL

From Page One

officials, would change the method of creating an arbitration commission.

It proposes that each disputing nation should name one representative on an arbitration board, instead of two as at present, and that the three other representatives be named by the inter-American arbitration commission set up under an agreement reached in Washington in 1928.

Before presenting their project to the conference, the North American delegates obtained practically unanimous approval from other delegations. Mexican delegates indicated they would accept the United States plan if the conference were not inclined to agree on the Mexican code of peace which, unlike the United States proposal, would create an inter-American court of justice.

The United States plan is to be discussed by the committee on the organization of peace of which Dr. Alfrancio Mello Franco, former Brazilian foreign minister, is chairman.

Cultured Relations Is Aim

The United States delegation also presented a comprehensive convention for the promotion of inter-American cultural relations. It embraced many suggestions for educational and other exchanges among the American nations and was designed to promote good-will in the new world.

Other suggestions presented by Secretary of State Cordell Hull's delegation were:

A resolution for vacation courses whereby American republics would offer special courses in art, literature and the like for students of other countries; a resolution for the exchange of works of art, literature and the drama among the American nations; a suggestion for the mutual recognition among the countries of degrees from one another's institutions of higher learning; a proposal to conduct a congress of the Federation of Educational associations, and a scheme for conserving historic sites and protecting wild life.

The Mexican delegation suggested that a convention be worked out for completing the proposed Pan-American highway, parts of which have been constructed in various countries during the past fourteen years.

The Mexicans proposed that the larger nations provide engineering assistance and that all the countries agree on a financing scheme, which might include public subscription, ordinary highway taxes in each nation and establishment of a Pan-American highway board.

Six Treaties Combined

The United States' unification project would combine into one instrument six of the most important treaties on which inter-American relations have been conducted in recent years.

The preamble says "the co-ordination in one instrument of the paramount provisions of the various agreements designed for the pacific solution and prevention of difficulties would be conducive to more effective application of the machinery of peace."

The project begins by establishing two-nation mixed commissions between each republic and the other twenty. Each commission would meet alternately in the capitals of its members to eliminate the causes of future difficulties and controversies between the two countries, see that treaties are maintained and promote better relations.

Signatories of the unified instrument would "solemnly declare they condemn recourse to war for solution of international controversies and renounce it as an instrument of national policy in their relations with one another."

Landon Postpones Return

LIMA, Peru, Dec. 15 (AP).—Alf M. Landon, ex-governor of Kansas, has abandoned his plan to return to the United States in time to spend the Christmas holidays with his family.

On the insistence of other members of the United States delegation to the Pan-American conference, Landon decided to remain in Lima until Dec. 26. He plans to leave by plane that day and stop over at several Central American points en route home. Previously Landon had made reservations on a plane leaving Lima Dec. 19.

His change in schedule will make it possible for him to deliver the closing speech of the conference on behalf of the United States delegation.

GERMANS FORTIFY BALTIC TERRITORY

Quiet Fishing Village Gives Way to Steel and Concrete Walls in East Prussia

BY LYNN HEINZERLING
Correspondence of the Associated Press.

BERLIN.—The cement dries in the western fortifications, new barriers arise, but Germany's labor battalions do not rest.

Up on the Baltic coast of East Prussia motors drone, pile-drivers fall and huge concrete shapes rise above the dunes.

The reich is forging an iron ring around its isolated eastern wing, spreading out from Pillau, the old pre-war fortress, where the high command of the east coast defenses watches the Baltic sea—the one contact between Germany and soviet Russia.

Pillau has been guarding the sea lanes in East Prussia for 300 years. It is honeycombed with embankments and entrenchments. From its ancient and modern embattlements, as one nazi paper put it, an "impenetrable curtain of fire" can be dropped in front of the coast.

Opposite Pillau on the Frischen Nehrung, a narrow tongue of land which stretches along the coast like an outer wall, is the village of Neutief. Once it was a quiet little place, with a few fishermen's homes squatting picturesquely on the strand.

The fishermen's families have new homes now—but not in Neutief. Airplane hangars replaced their cottages. Barges and motorboats take the places of the fishing vessels. There is a new settlement of aviators, signal and information service men, technicians and laborers.

New concrete forms are growing up. Bridges and piers bring a modern touch to Neutief, which is becoming one of the greatest and best feathered nests of Germany's sea flyers.

Little Neutief, of course, is not expected to hold Germany's Baltic coast line inviolate. The navy's defense system stretches from Borkum island on the extreme west, in the North sea, to East Prussia, across the fortresses of the Pommerschen coast.

The marine artillery has guns from the lightest to the heaviest caliber reaching up from the dunes and the Westdeutscher Beobachter, that falls into their range.

The East Prussian coast is about 124 miles long. In the interior army troops and air units stand ready to strengthen the three-strand coastal chain of marine artillery, mine-sweepers and flyers.

In the harbor of Pillau are six unpretentious-looking vessels known as the "black fleet"—the first mine-sweeping flotilla—ready to clear mine-infected waters, escort commercial vessels into open water and, if necessary, lay a blockade of its own.

The "black fleet" is to be reinforced with a new type of "harder-hitting" boat, which developed out of the experience of the World war. One boat already has been added and twenty-three more are in the making.

BRITAIN FACES PRESTIGE TEST IN NEW PARLEY

Ability to Force Peace in Palestine May Determine Safety of Empire Lines

BY JAMES B. RESTON
Correspondence of the Associated Press.

LONDON.—Britain's prestige as an imperial power will be at stake in a "Christmas peace conference" with Jews and Arabs to end the war in Palestine.

Since the first Christmas, the Jews have fought against the Roman and Ottoman empires for their home in the Holy Land. Twenty-two years ago Britain promised to try to establish that home.

But Britain did not consult the Arabs before making that promise, and the Arabs say Britain had already promised the Holy Land to them.

So Jew and Arab have fought for over twenty years; over 1,400 have been killed in the last five months; and the forthcoming conference is Britain's answer to the world-wide charge that she has failed to formulate any successful policy in Palestine.

Before the conference ever starts, Britain is virtually forced into a policy of compromise, and it is precisely the policy of compromise that has led to charges of British weakness.

"I accuse his majesty's government," says eloquent Winston Churchill, "of having been * * * incapable of forming a coherent opinion upon the affairs of Palestine.

"Our ministers are suffering from a decrepitude of the will power * * * The case is urgent, but all they have been able to do in three whole years of classic incapacity is to palter and maunder and jibber on the bench."

World Issues Touched

Nevertheless, the government is faced with one of the most complicated problems in recent history. Palestine alone is not at stake. Everywhere, the Holy Land touches world issues.

If, in this coming conference, Britain opens the gates of Palestine to the horde of refugees driven from Germany she will antagonize the whole Moslem world and stir up the restless Moslem population of British India.

If, on the other hand, Britain, as the mandatory power, severely restricts Jewish immigration, she must face the fury of world Jewry and the displeasure of world opinion sympathetic toward the fate of the German Jews.

Two other factors must be considered:

First, the Arabs have been supported and even incited to rebellion by German and Italian propaganda.

Secondly, Britain must not forget that Palestine controls the outlet for much of Britain's oil supply and is strategically important for the defense of the Suez canal.

These reasons dictate a compromise and Britain has warned both factions that unless they reach an agreement "within a reasonable time," Britain will force a plan of its own.

The Balfour Declaration

The basis of modern Jewish history in Palestine is the Balfour declaration, which stated:

"His majesty's government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of that object * * *."

This declaration is bitterly condemned by the Arabs who:

First—Contend that in 1915, two years before the Balfour declaration was made, Sir Arthur Henry McMahon, first high commissioner for Egypt, included Palestine in the region in which Arab independence was to be recognized by Britain. (Britain has repeatedly disclaimed any such promise.)

Second — Want self-government and fear that the establishment of the Jewish national home will defeat this ambition.

Third—Fear economic and political domination by the Jews.

In spite of these three main Arab objections, 250,000 Jews have immigrated to Palestine and performed a modern miracle.

"Their achievement," says British Colonial Secretary Malcolm MacDonald, "has been remarkable. They have turned sand dunes into orange groves. They have pushed ever further into waste land the frontiers of cultivation and settlement. They have created a new city where before there was only bare seashore * * *."

Some observers also agree that the Jews have brought prosperity to the Arabs and have no wish to drive them out or turn them into a minority people.

"I know it is useless to press that argument on the Arabs," says MacDonald. "They are deaf to the argument. They are blind to the spectacle of a gradually improving standard of life * * *."

Nevertheless, the Arab birth rate since the signing of the Balfour declaration answers many Arab questions.

Since 1922, Jewish immigration of 250,000 has increased the total Jewish population to around 330,000. In that same time, due simply to the introduction by Jews of sanitary conditions, modern medical methods and irrigation, the Arabs have increased naturally from 600,000 to 990,000.

Since the Arab birth rate has more than kept pace with Jewish immigration, Britain takes the view that the Jews are not numerically turning the Arabs into a minority population.

The Arabs, just the same, have watched Jewish immigration with fear and opposition. They have denounced British control, demanded national independence, protested against Jewish immigration and the sale of land to Jews; and when these protests failed, serious violence broke out.

It is the intention of Britain eventually to turn over the mandate to a bi-national Arab-Jew government, but in the meantime it is generally expected to propose setting up in Palestine a group of autonomous cantons under a central government controlled by Britain.

Meanwhile, 1,000 Jews are going to Palestine every month and Britain hopes to reach some solution when the delegates from both sides arrive in London.

The Jewish population of Rumania is about 1,000,000, and of Hungary about 450,000.

Gravity of the situation between France and Italy is summarized by these statements:

In Rome, by the Relazioni Internazionali, organ of the institute for study of foreign policy—Italy will win her territorial claims against France within ten months.

In Paris, by George Bonnet, the French foreign minister—if either France or Britain were "the object of unprovoked aggression," neither would hesitate to go to the other's aid.

A French "no surrender" bloc organized forces to resist cession of any French or British territory to Italiy amid suspicion that plans already were afoot to turn over all or part of British and French Somaliland to Premier Mussolini.

Some observers expressed fear that Il Duce's silence on the territorial issue in a speech yesterday meant only that he already had heard of offers from London and Paris.

CHAMBERLAIN ON SPOT

With British Prime Minister Neville Chamberlain scheduled to visit Rome next January 11, the developments put him "on a spot" as he faced the House of Commons in a foreign affairs debate.

"He goes to negotiate, not just to shake hands," commented the well-informed French writer, Pertinax.

Chamberlain told the House today that Nazi Germany must be taken in as a "partner" or "there will be neither peace nor progress in Europe in things which make life worth living."

The prime minister, in face of a labor motion for censure on his foreign policy, vigorously defended the British course both before and after the Munich accord of September 29.

Never, he said, would he take the responsibility for entering war "unless it is forced upon me by the madness of others." He said he hoped instead for German collaboration for peace.

Of relations with the United States, Chamberlain said there was "no sort of difficulty or difference" that "gives us the slightest shade or cause for anxiety."

Argentina's fear that the United States was a potential threat to Latin-America still was a barrier to a pact for continental defense against "outside aggression" at the Pan-American conference in Lima, Peru.

Delegates expressed belief that Alf M. Landon's speech emphasizing the permanence of the Monroe Doctrine, regardless of domestic politics, would be unconvincing to Argentines who dislike some aspects of the Monroe Doctrine and are more concerned over the permanence of the "good neighbor policy."

Isidoro Ruiz Moreno, chairman of the Argentine delegation, however, declared after the speech that "we already have smoothed out some differences and I am sure a complete accord will be reached."

CHINESE GUERRILLAS

Japanese forces in China, apparently having attained their immediate goals, are beginning a widespread campaign to wipe out guerrilla bands in regions already occupied rather than extend their conquest.

War fronts in Spain were inactive.

The conference's steering committee killed a Cuban proposal for mediation by American republics in the Spanish civil war by a vote of 18-to-3.

The Cuban project would have sought an immediate armistice after which American nations, chiefly the Spanish-speaking States, would have offered mediation.

Japan Warns U. S. About Loan to China

(By the Associated Press.)

A warning to the United States that its Export-Import Bank's plan to lend $25,000,000 to China would be a "very dangerous political gesture" added today to strain between Washington and Tokyo while Italian colonial demands on France again worried Europe.

Japanese Foreign Minister Hachiro Arita described the proposed loan to China as "an inopportune and regrettable act" He declared Japan might regard it as "a form of political pressure," and that Tokyo "undoubtedly will find in it new grounds for strengthening the proposed new order in East Asia"

OPEN DOOR CLOSED

The new order means closing of the open door in China against which the United States has protested vehemently

New anti-Jewish measures developed in two countries of Central Europe

The Rumanian foreign office disclosed that the removal of 150,000 Rumanian Jews to Palestine and certain British colonies was envisaged in diplomatic negotiations already in progress with Great Britain.

The Hungarian cabinet gave final touches to a bill, to be submitted to Parliament Friday, which would impose new social and economic restrictions on Hungary's Jews, possibly limiting their voting rights also.

Privileges of Occidentals In China to End, Japan Says

Foreign Minister Arita Declares Special Rights of Outside Nations Must Be Abolished — Feels New U.S. Credit to China 'Regrettable' Act

TOKYO, Dec. 19 (AP).—Foreign Minister Hachiro Arita declared today that privileges Occidentals have enjoyed in China nearly 100 years "must gradually be abolished" under the new order Japan is establishing by conquest.

At the same time, he called the action of the United States Export-Import bank last Thursday in authorizing $25,000,000 credit for China "an inopportune and regrettable act on the part of the United States which thus far has acte with understanding."

Arita spoke in his first press conference since he became foreign minister last Oct. 29.

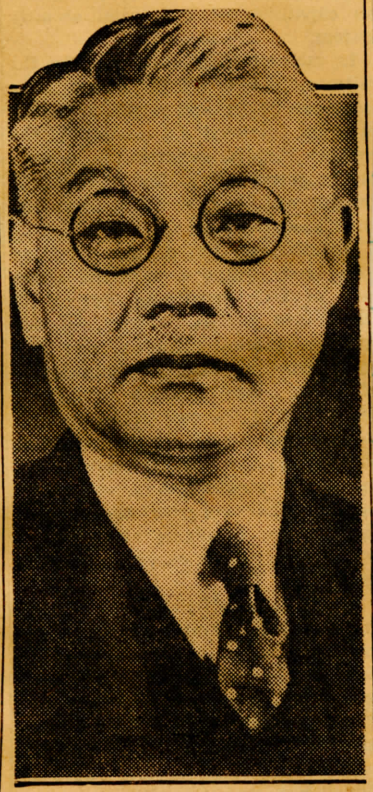
His statement on the privileges of Occidentals in China came in answer to questions on the probable fate of extraterritoriality—under which nationals of the United States, Britain and other powers enjoy special immunities and rights—and foreign concessions.

"It is my belief the extraterritoriality must gradually be abolished," he said. "In principle, this must also apply to concessions, but that will be a matter of time."

He also declared "some articles of the nine-power pact seem obsolete."

(In the nine-power pact, China, Japan, the United States, Great Britain, France, Italy, Belgium, Portugal and The Netherlands pledged respect for China's territorial integrity and maintenance of the open door for trade.

(Last Nov. 2 Japan announced to the world her intention of establishing a "new order" in the Far East which would have for its foundation "a tripartite relationship of mutual aid and co-operation among Japan, Manchukuo and China in the political, economic, cultural and other fields."



HACHIRO ARITA

CHINA IS GIVEN CREDITS BY U.S.

Treasury Ignores Japanese Protest of Loan, Agrees to Dollar Exchange

WASHINGTON, Dec. 19 (AP).—The treasury, ignoring strong words of protest from Japan, extended more credits today to China.

While the Japanese foreign minister, Hachiro Arita, was terming "dangerous" a $25,000,000 loan given China last week by the Export-Import bank, Secretary Morgenthau was renewing for an indefinite period an agreement to lend China undisclosed amounts of dollar exchange.

With a bland "who's at war?" Morgenthau asserted that no question of neutrality was involved in the credits to China.

(Japan has not formally declared war.)

The treasury head described the Chinese loans as "credits to a friendly nation" and said any other "friendly nation" except war debt defaulters barred by the Johnson act also could "apply" for loans.

"Door Is Wide Open"

"The door is wide open," he declared with a smile. This was a paraphrase of the "open door doctrine," which calls for equal commercial opportunity for all nations in China. The Japanese, over the objections of the United States, threatens to revise this doctrine.

After declaring that any qualified nation could apply here for loans, Morgenthau added that the right to apply was no guarantee that all requests would be granted.

The credits granted today are of more technical than commercial importance. China must pay American dollars for American merchandise. It gets most of its dollars by selling silver to the treasury, but sometimes runs short of dollars in the intervals between silver shipments. Today's agreement permits China to borrow dollars from the treasury's stabilization fund on the security of gold which China has on deposit in the federal reserve banks in this country. When China's next silver shipment—they run to $12,000,000 a month—arrives, the silver is sold for dollars, and the dollar exchange loan is repaid.

The gold on deposit here thus acts as a revolving fund to facilitate Chinese payments for American merchandise.

Germany Protests; U. S. Rejects It

Berlin Told Americans Resent Acts

Welles Defends Ickes' Speech; Daladier Loses Ground in Parliament.

(Compiled From Associated Press and United Press Cable Dispatches.)

Germany demanded today that the United States officially opologize for Secretary Harold Ickes' speech in Cleveland, O., last Sunday attacking dictatorships.

In Washington, Acting Secretary of State Sumner Welles emphatically rejected the German protest and at the same time criticized attacks in the German press on President Roosevelt and his cabinet.

The protest was lodged with Welles by Dr. Hans Thomsen, charge d'affaires at the German Embassy here.

Welles told Thomsen that the request came with singularly ill grace and impropriety from a government which had so persistently permitted its controlled press and officials to attack American leaders, including Presidents Wilson and Roosevelt and present members of the Cabinet.

The Acting Secretary of State advised Thomsen that Ickes' remarks represented the feeling of an overwhelming majority of the American people who had been profoundly shocked by recent events in Germany.

Welles' statement to the German envoy was couched in strong and uncompromising terms which the United States rarely uses in diplomatic discussions with a friendly government.

He told Thomsen that the German Government must now surely know that the recent policy pursued in Germany had shocked and confounded public opinion in the United States more profoundly than anything that had taken place in many decades. Welles warned Thomsen that expressions of public indignation such as Ickes' were inevitable.

Ickes had said Germany's treatment of Jews carried that nation back to "a period of history when man was unlettered, benighted and bestial." The Interior Secretary also criticized acceptance of German decorations by Henry Ford and Charles A. Lindbergh.

Welles said that so long as attacks against American officials continued in Germany the German government has no right to suppose that attacks of the same character would not continue in the United States.

The exchange brought an extremely sharp new strain on German-American relations already tense from the recent withdrawal of ambassadors of both countries and Germany's response to increasingly insistent recent American notes. The State Department considered the latter unsatisfactory.

Thomsen had told Welles he trusted the Government of the United States would make public an official expression of regret for Ickes' statement. This Welles flatly refused to do.

The acting secretary replied that for several months he had closely followed the German press, and had rarely read more unjustifiable criticism or open attacks on members of another government than had been made therein. Welles mentioned recent attacks on President Roosevelt and members of the Cabinet. He bluntly said he was sure the German charge d'affaires could hardly dispute the German press was completely under the influence and dictation of the German government.

Welles said that so long as attacks of this kind persisted, unquestionably authorized by German authorities, he could not conceive of there being any propriety in a German protest of Ickes' speech.

Thomsen interrupted to remark that he didn't consider criticisms published in the German press were on a par with criticism made by a member of the United States Cabinet.

Welles then stated that within the past few months he had read remarks made by German Government officials derogatory to the late President Wilson. He said Thomsen must surely realize that while Wilson was dead, his memory was revered by the American people and such attacks had been deeply resented here.

The interview was ended after Welles gave his personal belief that public recriminations in any country against another country were not conducive to good relations between peoples of the world.

Meanwhile the hairline margin of seven votes out of 575 in the Chamber of Deputies saved Premier Edouard Daladie's French Government in the face of new tension in its relations with Italy.

It was the second time the Premier had won approval for his plan to reorganize French finances by decree. But the vote of 291 to 284 sharply cut the seventy-four-vote margin he won December 10. Some of his own radical Socialists and mrembers of the extreme right, including Francois de La Roque's French Social party, abstained from voting.

Daladier declared he would have "demanded immediate dissolution" of Parliament if he "had been overthrown."

Although official figures were not available, it was believed recount of the vote would show either a government majority of one or a minority of one. However, it was said reliably that Daladier considers the originally proclaimed vote the only one valid and that therefore the government won a majority of seven.

Because of the slenderness of the margin, however, the government may demand a confidence vote this afternoon on another tax article.

The foreign office, at the same time, disclosed that the Italian government had notified France that Italy considers the 1935 Mussolini-Laval convention concerning Tunisia "no longer valid."

Hitherto, there had been only silence from Italian officials to support Fascist territorial claims against France launched by shouts of "Tunisia! Tunisia!" in the Italian Chamber of Deputies November 30.

The convention assured protection for Italians and their right to Italian citizenship in the French North African protectorate until 1965.

The issue of cooperative defense for the Americas hung between a declaration approved by the United States and most other nations at the Pan-American Conference and another by dissident Argentina.

The Argentines, fearful of the United States as a potential aggressor, regarded the majority declaration as a military alliance in effect. Their text, therefore, omitted the majority draft's statement that American nations intend to provide for their own defense.

In Scotland the Duchess of Atholl, who rebelled against Prime Minister Neville Chamberlain's foreign policy, was beaten by 1,313 votes in the parliamentary by-election she forced to test the issue.

The "Red Duchess," so called because of her support of the Spanish government cause, in yesterday's voting received 10.495 votes to 11,808 for William McNair Snadden, her conservative opponent, who campaigned as a hearty supporter of Chamberlain's policy of appeasement.

Meanwhile Chamberlain told the House of Commons in London that Fuehrer Adolf Hitler said at Berchtesgaden, Germany, in September that "he would be glad to let Memel stand as it is as long as the Memel statute is observed by Lithuania."

Memel was taken from Germany after the World War. Under the Memel statute it constitutes a unit under the sovereignty of Lithuania, but with a large measure of local autonomy.

In Japan press attacks continued against the United States and Great Britain. They mentioned demands for abolition of all foreign territories in China and told Britain she must "return Hongkong to the new China government" if she "wants smooth relations with Japan." The United States was pictured as a puppet on Britain's string and American credits of $25,000,000 made available for China as a "bluff."

Official reports reaching London asserted that "approximately 1,000" arrests had occurred in Insurgent Spain in a great spy hunt which authoritative persons here suggested might affect the entire course of the Spanish civil war.

The arrests were the sequel of what the London informants called the "case of the dirty shirt."

The shirt in question was found in the baggage of Harold Goodman, British vice-consul at San Sebastian, when he was stopped at Irun, on the French border, late Monday. Inside it was "incriminating information" which led to the arrests.

The United States State Department meanwhile began a search in war-devastated Spain for more than 1,500 missing American passports which it feared eventually might be put to improper use.

Most of the original owners of the passports were among the 2,500 Americans killed while fighting for the Barcelona Government against Gen. Franco's forces.

U. S. REFUSES TO APOLOGIZE FOR ICKES' ATTACK ON NAZIS; NATION'S VIEW, WELLES SAYS

LANGUAGE IS EMPHATIC

Germany Told No Curb on America's Indignation Could Be Expected

FEAR DIPLOMATIC BREAK

Pittman Asserts People Do Not Like Governments of Japan and the Reich

WASHINGTON, Dec. 22 (AP). — President Roosevelt paid a call on Secretary of the Interior Ickes at the latter's home in nearby Maryland last night.

The president, accompanied by Frank Walker, former head of the national emergency council, stopped at Ickes' home while motoring and then accepted the cabinet member's invitation to stay for dinner.

Walker is chairman of a committee arranging for a repository for the preservation of President Roosevelt's papers. Friends said the three discussed that matter.

WASHINGTON, Dec. 22 (AP).—The United States, adopting the stiffest language used toward Germany since World war days, emphatically refused today to apologize for Secretary Ickes' recent denunciation of the nazi regime and warned that such attacks could neither be prevented nor restrained.

Sumner Welles, acting secretary of state, told the German charge d'affaires that recent policy in the reich had shocked American public opinion more profoundly than anything in many decades and that indignation as expressed by Ickes at Cleveland last Sunday represented the feeling of the overwhelming majority of the people of this country.

His warning was delivered in a point-blank refusal to accept Germany's protest against Ickes' speech. The protest was delivered verbally yesterday by the charge d'affaires, Dr. Hans Thomsen, who requested an official expression of regret.

(Ickes had declared that Germany's persecution of Jews carried that nation back to a "period of history when man was unlettered, benighted and bestial.")

Pittman Says Nazis Disliked

About the time of the Welles pronouncement, Senator Pittman (dem., Nev.) issued a formal statement declaring that the American people "do not like" the German or Japanese governments and have the "right and power to enforce morality and justice" in accordance with peace treaties.

Although Pittman is chairman of the senate foreign relations committee, he asserted that he was not speaking in that capacity, but was making a personal utterance which he hoped would be "beneficial as a frank statement of facts." His statement follows:

"First—The people of the United States do not like the government of Japan.

"Second—The people of the United States do not like the government of Germany.

"Third—The people of the United States, in my opinion, are against any form of dictatorial government, communistic or fascistic.

"Fourth—The people of the United States have the right and power to enforce morality and justice in accordance with the peace treaties with us. And they will. Our government does not have to use military force and will not unless necessary."

At the state department there was no comment on Pittman's statement.

Welles, in his conversation with

See Page Fourteen, Column Two

APOLOGY TO NAZIS IS REFUSED BY U.S.

From Page One

Thomsen, cast aside the kid-glove verbiage of diplomacy. His words emphasized anew the strained relations which already have resulted in withdrawal of ambassadors by both countries.

While the acting secretary did not say whether his statement had the approval of President Roosevelt, it was considered highly unlikely that such an important utterance would be made without the chief executive's backing. Welles, an old friend of the president's, had attended a cabinet meeting at the White House yesterday.

Welles declared that the German protest, in view of what was going on in that country, came with singularly ill grace and at another point he referred to the impropriety of Germany's demand.

The reich had complained that Ickes, among other things, had criticized acceptance by Henry Ford and Charles A. Lindbergh of German decorations. Welles dismissed this phase of the complaint with a curt reminder that such criticism of Americans by an American official was purely a domestic question which he could not discuss with a representative of any foreign government.

Welles then turned to Ickes' criticism of German policies. He declared flatly that recent events in Germany had horrified the American people and that no curb on bitter indignation could be expected.

Welles added that he had closely followed the German press and had rarely read more unjustifiable criticism or open attacks on members of another government than had been made against President Roosevelt and members of his cabinet.

Remarks on Wilson Resented

He said that recent derogatory remarks made by German government officials about President Woodrow Wilson also had been deeply resented here.

Welles stated that Thomsen could not deny that the German press was under the influence and dictation of German government authority and that press attacks carried an authoritative note.

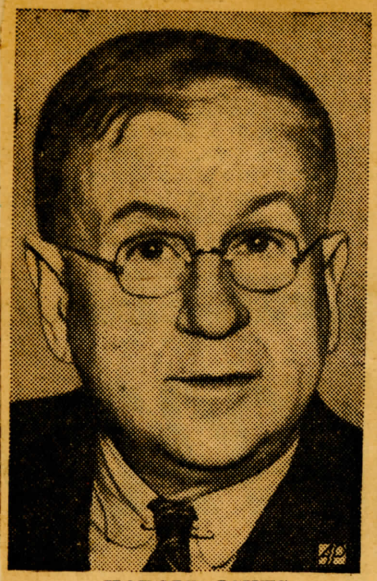
Welles terminated the short meeting by telling Thomsen that while public recriminations did not help relations, attacks against Germany were bound to continue here so long as the persistent German attacks against

American officials went uncurbed.

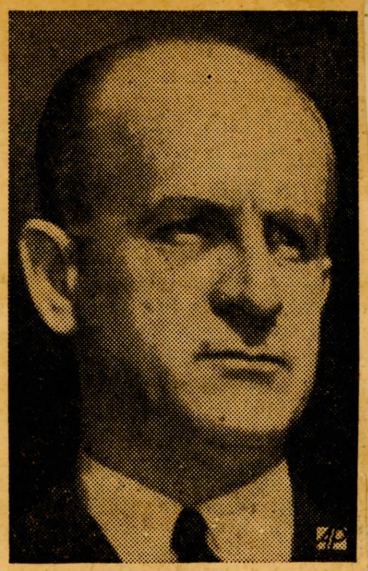
The first reaction in diplomatic circles was one of confusion and uncertainty for the future. Some observers believed that the development brought the countries perilously near a diplomatic break. The United States government has been increasingly annoyed recently by the tone of the German press. However, it was learned that the state department has no further action in mind and that the next move, if any, will have to come from Germany.

The German press attacks were in-

'I DISLIKE NAZIS' . . . 'WE ALL DO'



HAROLD ICKES



SUMNER WELLES

tensified recently after President Roosevelt condemned anti-Semitic measures in Germany and emphasized his views by bringing Ambassador Hugh Wilson home for "consultation." Germany promptly retaliated by summoning Ambassador Hans Dieckhoff to explain the "queer" attitude of the American government. It is now regarded as extremely unlikely that either of the two ambassadors will return to their posts.

The United States later addressed two firm notes to Germany asking assurances that Americans would not be subject to discrimination because of race or creed and that American holders of Austrian debt obligations be given equality of treatment.

The last notes appeared to bear a note of finality which some here have interpreted as a step toward retaliation or reprisal should the present relations not be clarified before congress meets.

Senators Somewhat Startled

Most senators, somewhat startled by the tone of both Welles' and Pittman's statements, declined to comment until they had read the statements.

Senator King (dem., Utah) said, however, that he agreed "absolutely" with Ickes' summation of American sentiment and approved the action of the state department in declining to apologize.

"If Germany's wicked and bestial persecution of the Jews does not cease," King declared, "I would be in favor of severing diplomatic relations and having no commercial dealings with that country."

Senator Hatch (dem., N. M.) said he believed that Ickes, in condemning persecution of the Jews, "voices the sentiment of the American people."

"Likewise," he added, "Senator Pittman, in condemning all forms of totalitarian government, expresses the sentiment of this country."

NAZIS TAKE GRAVE VIEW

Exact Phraseology of U.S. Answer Being Studied, Reply Likely Today

PRESS VOICES INVECTIVE

Editorials Say Ickes One of Group 'Using' F.D.R. for 'Sinister Machinations'

BERLIN, Dec. 23 (Friday) (AP).—Berlin morning newspapers made no mention today of the United States refusal of a German demand for an apology for Secretary Ickes' speech in Cleveland last Sunday.

DNB (German official news agency) carried no dispatches from Washington on the United States refusal, but distributed a brief New York message that President Roosevelt had visited Secretary Ickes Wednesday evening.

BERLIN, Dec. 22 (AP).—The nazi government tonight gravely studied the United States rejection of Berlin's demand for an official apology for Secretary of Interior Ickes' speech last Sunday at Cleveland.

One official said that the incident "evidently has become a serious affair" and that it would be premature to venture a forecast of Germany's reaction.

No one in authority was willing to hazard a suggestion regarding the next nazi move, but it was indicated an official statement might be forthcoming tomorrow after the foreign office had time to study the exact phraseology of the United States answer.

Foreign office circles earlier in the day had disclosed that the nazi government, through its charge d'affaires in Washington, had protested against the speech. It was said to have regarded it as "impudent and insulting."

Ickes Long a Target

The nazi press meanwhile continued its invective against Ickes, whose name became a household word and a target of attacks in Germany when he refused to approve helium exports to this nation.

(Helium, noninflammable gas, was sought for German dirigibles, but Ickes said he could not approve shipments to Germany because there were not sufficient safeguards against the possibility the gas might be used in military lighter-than-aircraft instead of commercial dirigibles.)

Voelkischer Beobachter, Reichsfuehrer Hitler's personal—and the party's official central—organ, editorialized under the caption:

"What is Ickes up to?"

It accused the American of using language "which is nothing short of astounding when used by a responsible statesman of a great power."

Ickes, this organ charged, "belongs to that group within the Washington cabinet which attempts to make capital out of every friction between the United States and Germany and which endeavors to use President Roosevelt for its sinister machinations."

Hopes America Learns

It expressed hope "America will not become a prey to such pirates of public opinion, but, on the contrary, will attempt to understand European problems."

Westdeutscher Beobachter, official nazi organ in Cologne, declared:

"A prominent member of the American government can never pose as a private nobody who can throw about stink-bombs with impunity.

"One may expect that Roosevelt will tell his minister such scandalous conduct is irreconcilable with democratic principles and, moreover, constitutes an action which no nation can tolerate."

Westphaelische Landeszeitung editorialized on "The Gangster Methods of a United States Minister."

Germans Openly Talk of 'Rupture' Of U.S. Relations

Spanish Rebels in Bitter Offensive; Conflicting Reports Come From Line.

(Compiled From Associated Press and United Press Cable Dispatches.)

Three vital international issues—growing strain between Germany and the United States, Italian aspirations for French territory and the Pan-American question of continental solidarity—hung in the balance today.

Meanwhile, the Spanish insurgent high command said the Government's Catalonian front had been broken in four places by the first blows of a new campaign in Northern Spain.

Border reports reaching Bourg-Madame, France, said the drive was aimed at strong government fortifications along the Segre River near Tremp, but that government troops had repulsed six waves of Moorish troops without yielding "an inch."

The drive, in falling snow and near-zero weather, struck against government positions which have threatened the Insurgents' hold on sources of hydro-electric power that formerly served important government war industries in Barcelona.

Reports from both sides of the civil war for a month had forecast a major Insurgent offensive by which, it was said, Generalissimo Francisco Franco hoped to end the war, now in its thirtieth month.

SPEAK OF "RUPTURE"

In Berlin, an official said it was premature to forecast Germany's reaction to the rebuff with which Sumner Welles, acting United States Secretary of State, received a German protest yesterday against a speceh by Interior Secretary Harold L. Ickes.

Two authoritative Nazi papers—Reichsfuehrer Hitler's own Voelkisckur Beobachter and Field Marshal Hermann Wilhelm Goering's National Zeitung of Essen—used the terms "rupture" and "abrogation of German-American relations," however, in new attacks on Ickes.

Fortified by victory in the Chamber of Deputies, French Premier Daladier turned to meet Italy's denunciation of the 1935 agreement regarding Tunisia. The premier's friends said he was prepared to refuse flatly to go beyond the agreement in territorial concessions if Premier Mussolini followed up "unofficial" Fascist clamor with official Italian demands for French possessions.

DALADIER GAINS

Daladier's majority in the Chamber grew from seven yesterday to 137 early today as his 1939 ordinary budget of 66,128,402,780 francs ($1,735,537,440) won Chamber approval, 366 to 229. Many right-wing and center deputies who had abstained at first from voting supported the premier for fear of helping overthrow his cabinet.

A snarled situation awaited clarification at the Pan-American Conference in Lima, Peru.

Dr. Carlos Concha, president of the conference, announced that "we already have reached an agreement" on a solidarity and defense declaration. But both Brazil and Argentina, which has opposed the majority-approved draft, denied there had been an agreement, although Dr. Concha had said Argentina's version had been the basis.

Hungary, until now a comparative haven for Jews in Europe, placed a sweeping anti-Semitic program before Parliament. The government of Premier Bela Imredi declared Hungary had to protect herself "against possible infiltration of Jews" from neighboring countries which have adopted anti-Jewish policies.

NAZI PRESS ATTACKS

In its apparently inspired attack on the United States, the German press ridiculed the presentation of the medal of the American Hebrew Magazine to President Roosevelt.

Expressing its scorn for Mr. Roosevelt, the Deutsches Nachrichten Bureau, the semiofficial agency which disseminates news to German newspapers, said:

"The committee granting this significant reward is composed of notorious prominent Jews and Jew partisans, including the financial czar Baruch, the publisher Bloch (sic), Bishops Manning and MacConnell (sic), and further Morgenthau, the industrialist Schwab, the conductor Toscanini and the New York Jewish chieftain La Guardia."

The persons mentioned are Bernard Baruch, financier; Paul Block, newspaper publisher; Bishop William T. Manning, Protestant Episcopal bishop of New York; Bishop Francis J. McConnell of the Methodist Episcopal Church, who is president of the Federal Council of Churches of Christ in America; Henry Morgenthau, Jr., Secretary of Treasury; Charles M. Schwab, steel manufacturer; Arturo Toscanini, world-famous Italian orchestral conductor, and Mayor Fiorello H. La Guardia of New York.

Nachtausgabe said:

"The 'honor' which Jewry, led by its most prominent war mongers, bestowed on the President needs no commentary. The question only remains whether Mr. Roosevelt really considers himself honored; and how the American public, which in no way can be identified with United States Jewish machinations, will receive this latest demonstration of Jewry, because in the last analysis Americans suffer appreciably under those conditions created by Jewish gangsterdom, which ever and again delivers the reputation of the United States the heaviest blows."

Chancellor Hitler's newspaper, Voelkischer Beobachter, printed a picture of Ickes with this caption:

"H. L. Ickes, 64-year-old Secretary of the Interior of the United States, who through anti-German intrigues wants incurably to poison America's relations with Germany and drive developments toward a rupture.

"We have exposed his machinations. That this darling of Judah (Jewry) is of German descent we record with feelings fit for Ickes."

Word went out from the State Department in Washington that the United States would take no further step unless forced to by Germany.

Hopes were expressed privately the Hitler Government would heed the blunt statement of Acting Secretary of State Welles that Ickes' views were those of the overwhelming majority of Americans.

Coinciding with Welles' plain-speaking to Dr. Hans Thomsen, German charge d'affaires, was a personal condemnation of Germany, Japan and all forms of dictatorial government by Chairman Key Pittman (Dem., Nev.) of the Senate Foreign Relations Committee.

Shortly afterward, Senator King (Dem., Utah) asked the State Department to try to prevent Germany from obtaining American oil seized by the Mexican Government.

King said he had seen published reports "that the Mexican Government has signed an agreement by which $17,000,000 worth of petroleum properties will be bartered for German merchandise, machinery and products during 1939."

"Another report that I have seen," he wrote the department, "states in effect that arrangements have been completed by which the German Navy will be supplied largely with oil that belongs to American nationals, but which the Mexican Government has seized.

"It seems to me that if the Mexican Government is pursuing the course indicated, our Government should use all reasonable means to protect the interests of American nationals."

Pittman commented in a formal statement, after declaring the people of the United States do not like the Governments of Japan and Germany:

"The people of the United States in my opinion are against any form of dictatorial government, communistic or fascistic.

"The people of the United States have the right and power to enforce morality and justice in accordance with the peace treaties with us. And they will. Our Government does not have to use military force and will not unless necessary."

7,000 Jews in Camps Are Freed; Dozens Frozen, Limbs Amputated

By the Associated Press.

BERLIN, Dec. 23.—Approximately 7,000 Jews have been freed from concentration camps in the last two weeks, Jewish quarters estimated today, in a tempering of the action nazis took in the anti-Jewish violence which broke out Nov. 10.

Reliable informants reported that, because of the cold wave which began Sunday, there were dozens of cases of men whose frozen limbs had been amputated. They asserted there were hundreds who suffered attacks of pneumonia

The heads of the released men were shaved and some of those who left the camps before the cold wave had bandages or plaster covering apparently minor injuries.

Frostbites and the graver injuries suffered by the men who still were detained during the cold spell were ascribed simply to the fact that the concentration camps were not prepared for the cold.

Thousands of Jews were rounded up in the raids which followed the death of Ernst vom Rath, secretary in the German legation in Paris, at the hands of Herschel Grynszpan, 17-year-old Polish Jew.

Faced with criticism even within their own party ranks, those responsible for the raids decided late last month to release gradually Jewish war veterans with favorable military records.

The criticism, which, however, never reached the stage of public discussion, was directed primarly against the arrests of men who had risked their lives for the country during the World war.

No mention has been made anywhere publicly of the releases from the concentration camps, but Jews have been returning to their homes at the rate of several hundred daily.

Not all of the freed Jews were war veterans, since preference also was given to men whose preparations for emigration, including coveted visas, virtually were completed.

A Vienna dispatch said several hundred Jews returned from the Dachau and Buchenwald concentration camps and reported they were released after signing pledges to leave Germany within three months.

Informants who saw released Jews at Berlin's central police station, where information was sought regarding emigration, reported many were accompanied by nurses or relatives who propped them up.

20 NATIONS SEAL TREA... ON AMERICAN SOLIDARI... BRAZIL EXPECTED TO S...

ARGENTINES GET IN LINE

Declaration Same as One Erroneously Reported Agreed To Thursday

NEW PROPOSAL REJECTED

Word From Rio de Janeiro Is Cause of Delay—Time Is Now Important Factor

By the Associated Press.

LIMA, Dec. 23.—The Pan-American conference moved close to a declaration of continental solidarity late today when the Argentine and Uruguayan delegations signed a majority agreement circulated by Dr. Carlos Concha, conference head.

Only Brazil remained to sign the declaration to which twenty of the twenty-one republics represented here have now agreed.

The conference secretariat announced that there would be no statement tonight on the solidarity declaration, but that one was expected early tomorrow.

This was taken to mean that Brazil's expected signature had not been forthcoming, although it was believed that nation's delegation awaited only the word from its capital.

Text Declared the Same

A high authority said the text of the declaration signed by Argentina and Uruguay had not been changed since last night, when Concha announced prematurely that twenty republics had agreed to it.

It was reported reliably that Afranio Mello Franco, former Brazilian foreign minister and head of his nation's delegation, was preparing to withdraw a minority declaration in favor of the majority agreement.

(In Buenos Aires the Argentine foreign ministry spokesman said that the fact the Argentine delegation had signed indicated unanimity had been reached "inasmuch as our delegates were instructed to sign only if the agreement were unanimous.")

Mello Franco said he was agreeable to signing the majority agreement, but as a matter of courtesy he was awaiting formal authorization from Rio de Janeiro.

The agreement Concha announced last night proclaimed the decision of the republics of the Western Hemisphere to "maintain and to defend" their continental solidarity "against all foreign intervention or activities."

Greatest Hurdle Cleared

The signing of Argentina cleared the greatest hurdle confronting conference leaders who were sponsoring the majority declaration in an effort to bring about peaceful settlement of the two-week-old controversy over the form the declaration should take.

The Argentine delegation capitulated after receiving a cable from Buenos Aires releasing them from previous instructions to support the minority declaration worked out in telephonic negotiations between President Roberto M. Ortiz, of Argentina, and Alfredo Baldomir, of Uruguay, and Brazilian Foreign Minister Oswaldo Aranha.

The Argentine decision to join the majority came during the midst of an afternoon plenary session.

Indications that something important was about to happen came when leaders of the various delegations started quietly making their way out of the conference hall.

They went one by one to the secretariat where Dr. Isidoro Ruiz Moreno, chairman of the Argentine delegation, affixed his signature to the document.

The Uruguayan delegation quickly followed.

Before then, the Pan-American con-

20 NATIONS SIGN SOLIDARITY PACT

From Page One

ference wobbled uncertainly between a brand new version of what it should say about continental solidarity and the Argentine proposal, already approved by most of the delegations.

Presidents Ortiz, of Argentina, and Baldomir, of Uruguay, and Brazilian Minister Aranha, speaking for President Getulio Vargas, conferred by telephone from their capitals, Buenos Aires, Montevideo and Rio de Janeiro, in formulating the "plan of the three presidents," which was offered as a substitute for the majority proposal.

In a belief that Aranha, former Brazilian ambassador to Washington, had "put something over" on President Ortiz, leaders of the Argentine delegation made excited telephone calls to Buenos Aires, seeking to have their government reconsider.

The Argentine-Brazilian-Uruguayan proposal was reported stronger than the separate Argentine, or majority, proposal in that it referred to mutual assistance in case of aggression. The majority proposal did not go beyond consultation.

Hull was said to oppose the "president's" proposal on the ground that it further confused an already confused conference. The confusion was reflected by a flood of telephone calls and telegrams from capital to capital, and a series of impromptu conferences through the day.

Parley to End Tuesday

Urgency and confusion were accented by the fact that the last plenary business session of the conference comes at 4 p.m., eastern standard time, tomorrow. The conference will close on Tuesday.

Some delegates said that if complete agreement were not reached in time for tomorrow's session the solidarity declaration would not reach the conference floor for formal approval.

Argentina and Brazil ironed out some differences over phraseology in the majority proposal. For example, Argentina liked the wording, "democratic institutions," but Brazil preferred "republican institutions." This point was settled by deciding to say "institutions."

The economics committee approved a plan for annual informal meetings of treasury secretaries or finance ministers, the first meeting to be held in Guatemala before next June 1.

The committee also submitted for study by American governments a Colombian resolution for an economic non-aggression pact and approved an Argentine project for faster exchange of information on financial and economic legislation.

The group approved a recommendation that American states "make no discrimination of origins, creeds or races" in immigration measures. The recommendation was believed likely to ease acceptance of German Jewish refugees.

The committee of international law adopted Brazil's project for non-recognition of special rights for foreign minorities.

BOLIVIA OPENS DOORS TO JEWS

Free Land Is Offered to All the World 'Who Desire to Come and Work'

WASHINGTON, Dec. 24 (AP).—Word was received here today that Bolivia had taken action that might open her vast empty spaces to thousands of refugees from Germany.

The Bolivian government has passed a resolution stating "that the frontiers of Bolivia are open to all the world, sane of body and mind, who desire to come to work the rich lands which are granted to them gratuitously."

Simultaneously it was learned the government has decided to offer homesteaders fifty hectares (about 125 acres) of land, free passage from the Bolivian frontier for immigrants and their families and free entry for their household belongings and agricultural tools. Most of the land set aside for colonization is reported to be rich, but far from commercial centers and the frontiers.

Jewish immigrants agriculturally inclined could obtain specific permission to enter from the ministry of colonization.

Bolivia, only land-locked South American republic, is equal in size to the combined states of California, Oregon, Nevada, Arizona and New Mexico, yet has a population of only slightly more than 3,000,000. Farming, grazing and mining are the chief occupations.

AMERICAS SIGN DEFENSE PACT FOR CONTINENT

Declaration Provides Solid Front Against Aggression, Activities From Abroad

BRAZIL LAST TO ASSENT

Hull, Landon Hail Adoption of Measure Designed for Peace and Security

SOLIDARITY PACT IS SIGNED AT LIMA

LIMA, Dec. 24 (AP).—Republics of the Western Hemisphere tonight presented a common front, in the words of Secretary of State Cordell Hull, against "any threats or activities from outside forces" imperiling their peace and security or the integrity of democratic institutions.

A plenary session of the Pan-American conference approved the solidarity "declaration of Lima" as conference leader after leader proclaimed its importance in the face of what Hull called a "critical world situation" when "resort to persecution, force and violence are threatening the peoples of the world with destruction and the horror of armed conflict."

Former Gov. Alf M. Landon, of Kansas, assured the session that Latin-American nations, whatever party was in power in Washington, could count on the continuity of United States policy toward Latin America, based on peaceful settlement of disputes and co-operation "for our mutual advancement and security."

Says Policy to Be Sustained

Landon said: "It is my conviction that it (United States policy) will be sustained, irrespective of what political party may in the future hold office."

The republican party leader said the Declaration of Lima would "contribute towards making the future one of security, not of tragedy."

Because of the rush of work, most of the delegates had forgotten that it was Christmas eve.

Hull, recalling the birth of the Prince of Peace, said that "without force, His kingdom lives today after the lapse of nineteen centuries," and added: "It is a principality of peace; peace which we here hope in humble measure to help give by His grace to the continent of the Americas."

Afranio Mello Franco, head of the Brazilian delegation and last to sign the declaration before it was presented to tonight's session, declared that "America continues united and vigilant in safeguarding her common interests, in defending her peace, and in efforts toward collaboration."

The declaration of Lima grew out of more than a fortnight of day and night conferences to give the declaration its strongest meaning and yet preserve the independence of each signatory nation.

It was the strongest step ever taken by Pan-American nations to bind themselves together—taken in the shadow of influences from Europe and Asia which many delegates regard as incipient threats to their independence.

Although it was stronger than anything in the past, Mello Franco, before he signed the declaration, issued a statement saying, "Brazil is sure it will be extended in the future through the continuous work of Pan-American conferences."

By their declaration the Western Hemisphere nations recorded "their continental solidarity and their purpose to collaborate in maintenance of the principles upon which solidarity is based."

They agreed that, "faithful to the above-mentioned principles and to their absolute sovereignty, they reaffirm their decision to maintain and to defend them against all foreign intervention or activities that may threaten them."

The declaration provides for con-

From Page One

sultation among foreign ministers or secretaries of state in case of menace to the peace.

The solidarity and defense stand was based on an Argentine project. United States Secretary of State Hull induced other leaders to sign by convincing them it contained both the spirit and substance of a previous declaration which practically all had approved.

Several high authorities said tonight they regarded it as an even stronger warning to European and Asiatic totalitarian states because it was of Argentine rather than United States inspiration.

Vast measures of military preparation in the United States already were known to totalitarian states, but the declaration, originating with Argentina and agreed to by the other republics, would show that Latin America also was keeping strict watch.

The authorities said the warning would have been weaker if the United States' proposal had been accepted because nations abroad might then think that Latin-American nations had agreed out of deference to the United States.

An international law expert who did not want his name mentioned said the declaration, based on the latest of two Argentine proposals, went a long way beyond the first Argentine plan.

The advances were made the insistence of other delegates.

The first Argentine document was handed to the United States embassy at Buenos Aires Nov. 26, the day after Hull sailed from New York, and was wirelessed by the state department to Hull while he was aboard the liner Santa Clara.

It simply provided that "it is mutually advantageous to establish a more effective contact in the event situations should arise the scope whereof may not be contemplated" in the convention signed at Buenos Aires in 1936.

Solidarity Not in First Draft

This draft did not specifically provide for solidarity, the international law expert said, nor did it define with greater precision than just cited the purposes for which the consultations should be held.

The conference will close formally on Tuesday.

In the first session, starting at 1 p.m. today, the business included approval of Bogota, Colombia, as the place for the next conference. In all, thirty-six projects and resolutions were presented and approved. One recommended that the Pan-American union study the possibility of more frequent conferences. One is held every five years.

The twenty-four hours which ended with the complete signing of the solidarity declaration probably was the most dramatic period that any Pan-American conference ever went through.

Thursday night, Dr. Carlos Concha of Peru, conference president, gave the delegates to understand that agreement had been reached. But the Brazilian and Argentine delegates denied Concha's announcement and instead brought forth the so-called "plan of the three presidents," which Brazil agreed to, and the Argentine, or majority plan.

Throughout yesterday leaders of the delegations held meetings to consider the rival declarations. The "plan of the three presidents" bore approval of the chief executives of Brazil, Uruguay and Argentina, but the Argentine delegation shied from it.

Hull Urges Withdrawal

Hull emphatically told the Brazilians, Argentines and Uruguayans that they were only muddying already dark waters by throwing the new plan into the conference pool. He pleaded with them to withdraw it and sign the majority declaration.

More tense negotiations followed while the three delegations communicated with Rio de Janeiro, Buenos Aires and Montevideo to ask if their home governments were willing to withdraw the "three presidents'" declaration.

While awaiting replies, the Argentines and Brazilians conducted another skirmish in the "battle of phrases" seeking to change a few words in the majority declaration. The declaration, as signed today, had not been altered despite these last-minute differences.

At dusk last night while the conference was in plenary session, Dr. Isidoro Ruiz Moreno, head of the Argentine delegation, received telegraphed permission to sign. A short while thereafter Pedro Manini Rios, Uruguayan leader, also signed. Everything then depended on Brazil.

A telegram came last night saying Brazilian President Getulio Vargas approved both declarations with slight modifications, but left the decision entirely up to Mello Franco.

Choice Rests on Mello Franco

Upon the Brazilian leader rested the momentous choice—to accept the majority declaration which was not strong enough to suit him or to throw the whole conference into turmoil by insisting on the "plan of the three presidents."

During last night and this morning other delegation leaders argued with Mello Franco, using all the persuasiveness they could command. Ruiz Moreno, the Argentine, urged him to sign and if necessary accompany his signature with a reservation to embody the modifications he wished.

Mello Franco finally reached a compromise. He signed, but before he did so he issued a statement expressing Brazil's preference for "a much ampler and affirmative expression."

guage," he added, "our determination to maintain and defend our principles against any intervention or outside interference which may threaten us, and we have pledged ourselves to consult with one another if confronted with such threats."

Hull said the achievements of the Pan-American conference stood out in great relief against the background of a "critical" world situation.

Hull Tired But Happy

The white-haired secretary of state, visibly worn by extraordinary exertions during the last two weeks, but also obviously happy over the far-reaching "Declaration of Lima," said he closely associated with that solidarity accord "two vigorous resolutions" adopted by the conference.

One of the resolutions he mentioned condemned racial and religious bigotry and intolerance everywhere; the other condemned political activity by groups of aliens in the Western Hemisphere.

He stated emphatically that the conference had not sought to cut off the Western Hemisphere from the rest of the world and added that such effort would be futile.

The principles the Pan-American conference had adopted, he said, were so broad that all the world might stand upon them. If they were adopted all over the world, he continued, the young "would see their future with more certainty," and the old would look upon their lives "with more peaceful satisfaction."

Hull said the Lima declaration "contains the substance of various other proposals by a number of us." He praised the "conference method" as a successful demonstration that democratic procedure works.

He gave great importance to the conference's economic resolution for the lowering of tariff barriers, mentioning it as a major achievement on a world background where "economic nationalism is making it more difficult for people in every country in the world to support themselves and their families."

At the same time, he said, "social stability is being threatened throughout the world; treaty obligations and international law are being flagrantly disregarded; resort to persecution, force and violence are threatening peoples of the world with destruction and the horror of armed conflict."

He declared that "we see doctrines of enmity and hatred disseminated through insidious and subversive propaganda," and added: "We know these influences and dangers" still haunt the future.

To listeners who, in the rush of conference work during the last fortnight forgot the approach of Christmas, he recalled that tonight was Christmas eve, when the Prince of Peace was born.

"There are those," he said, "who think the world is based on force. Here within this continent we can confidently deny this. On this night, nearly 2,000 years ago, there was born the Son of God, who declined force and kingdoms and proclaimed the great lesson of universal love.

"Without force His kingdom lives today, after a lapse of nineteen centuries. It is a principality of peace; peace which we here hope in humble measure to help give by His Grace to the continent of the Americas."

Hull had high words of praise for the "unfailing courtesy, courage and wisdom" with which Dr. Carlos Concha, of Peru, president of the conference, had guided its work and for the "mature experience and high qualities" of Afranio Mello Franco, of Brazil, "whose fine judgment and skill have been of immense value."

Italian Press Assails F. D. R. As 'Charlatan'

Spanish Rebels Hammer 2 Fronts; Lima Conference Ready to Adjourn.

(Compiled from Associated Press and United Press cable dispatches.)

Robert Farinacci, writing in the Regime Fascista, today assailed President Roosevelt as a "charlatan."

Asserting that he was reflecting the viewpoint of the Italian people, the noted Fascist editor criticized the American President in an article indirectly supporting recent German newspaper attacks on prominent American officials who have denounced totalitarianism.

"The Italian people consider Roosevelt like those charlatans who at our country fairs sell porous plasters, razor blades and miraculous ointments," Farinacci wrote.

Meanwhile the inspired Italian press announced that Italy was "ready for anything" if her demands in the Mediterranean are not met.

"STRENGTH WILL WIN"

The authoritative Voce D'Italia said that Italy "accepts the offensive on whatever front or by whatever means are named. She is strong because she is right and her strength will one way or another permit her to attain her rights."

Foreign observers saw in the campaign an Italian move to consolidate the position established by the formal denunciation of the Franco-Italian accords of 1935.

In summing up Italian grievances, Fascists said the denunciation of the accords renews the state of hostility which separated Italy and France at the end of the World War and until 1934.

BLUM'S PROPOSAL

At the same time, a proposal by Leon Blum to subject Italians in Tunisia to the same regulations as other foreign minorities received growing support throughout France.

Erik Labonne, French resident-general, arrived in Paris from Tunis to report to the Government regarding Italian activities and to arrange for Premier Edouard Daladier's inspection of naval bases and fortifications in the protectorate.

Blum and leaders of the left parties proposed that France flatly denounce the 1896 convention by which the Italians obtained special privileges in Tunis, such as the right to operate Italian schools and hospitals.

The convention also permits children born to Italian nationals in Tunisia to retain Italian nationality and excuses them from French military service. Another statute gives Italian workers privileges refused to other foreign labor.

Spanish Insurgents, pressing a powerful offensive toward Barcelona, hammered at two points in northern Spain where the Government's defense lines sagged.

CRUCIAL BATTLE

Most of the fighting in the fourth day of what both sides agreed might be a crucial battle in the thirtieth month of the civil war was in a small area between Tremp and Balaguer and a larger sector south of Lerida.

Determined Government resistance combined with freezing cold in the snow-whitened mountains appeared to have thwarted Generalissimo Francisco Franco's hopes of maintaining an unbroken advance on a 125-mile front.

With the work of the eighth Pan-American conference at Lima, Peru, virtually finished, delegations prepared for adjournment tomorrow by putting finishing touches on about 130 resolutions and declarations, including that on continental solidarity for defense.

Speculation mounted in Hongkong whether Wang Ching-Wei, once a key figure in the Chinese Government, was entering secret negotiations with Japan for a truce to halt the seventeen-months-old Chinese-Japanese war. The former President of the Chinese executive Yuan, a known advocate of peace with Japan, was expected to reach Hongkong today from Chungking, the temporary Chinese capital.

FRANCE BEGINS RUSHING SHIPS TO SOMALILAND

Warship Is Sent to Djibouti and Other Naval Units Will Go Into Red Sea

GOVERNOR ASKED HELP

No Confirmation of Reports Italian Troops Massed Near French Colony

By the Associated Press.

PARIS, Dec. 27.—France started reinforcement of her East African colony of Somaliland against Italian pressure for a bigger empire today by rushing a warship to Djibouti.

The 1,969-ton dispatch boat, D'Iberville, of the French East Mediterranean fleet, steamed south from Beirut, Syria, to the Somaliland port. Other naval units were expected to follow her into the Red sea as the result of an appeal for reinforcements from the governor of Somaliland. France has no fleet in the Red sea.

Djibouti, by its railway connection with Addis Ababa, is the principal outside link for Italy's Ethiopian empire.

Italians Hold Oases

Simultaneously, it was learned that Italian military caravans have occupied and have been holding for eighteen months some oases in the disputed, arid frontier between France's Somaliland and Italy's Ethiopia.

The foreign ministry announced, however, that no official confirmation could be found for press reports of mass concentrations of fascist troops in Ethiopia facing Somaliland.

An official pointed out that the frontier region is a vast expanse of desert, where mass movements of troops would be difficult.

But it was acknowledged that small units of Italians had taken "two or three" oases to which France also had laid claim, but has not occupied with soldiers.

These occupations, however, were viewed as a far cry from reported preparations for an Italian invasion of Somaliland.

The border was charted by a map of 1879, but some points never have been fixed clearly. A geographical mission has been expected to go to the zone to clear up the matter.

Nevertheless, the French government continued to tighten its hold on its African empire against Italian aspirations.

Daladier's Plans Announced

Announcement of the program of Premier Edouard Daladier's trip to North Africa showed he would be gone from Jan. 2 to Jan. 10. He will stop for only a few hours in Corsica and then proceed to northern and southern Tunisia and Algeria and in effect conduct a counter-demonstration of French military and naval might on the flank of Italy's Libya.

Although apprehension has been expressed over the trip of British Prime Minister Neville Chamberlain to Rome Jan. 11 to 14 for fear Premier Mussolini may attempt to win him over to his side on African territorial issues, officials said here no plans had been made for Chamberlain to stop off in Paris first.

Foreign Minister Georges Bonnet already has made it clear to the British ambassador, Sir Eric Phipps, it was said, that France can grant no territory to satisfy Italy.

Coming after unofficial Italian demands for a share of French territory and Rome's denunciation of the 1935 Italo-French colonial pact, the dispatches from East Africa gave specific point to the Italian campaign.

Out of the clamor over Tunisia, Somaliland, Corsica, Savoy and Nice and for concessions to broaden Italian right of ways in the predominantly French-controlled Suez canal and the Addis Ababa-Djibouti railway, the major Italian ambition appeared to be emerging—annexation of Djijbouti, gateway to Ethiopia

The report that six posts in French Somaliland had been taken over by Italian soldiers appeared in the leftist newspaper, Ce Soir.

The newspaper's dispatches also said Italian loudspeakers along the railway from Addis Ababa, Ethiopian capital, announced several times a day that the "taking of Djibouti is only a question of time," and that "the French will be thrown back into the sea."

Travelers reaching Egypt from Djibouti, the French press reported, said the governor of French Somaliland already had received troop and naval reinforcements from France.

More Rights Wanted

Both Corsica, island department of France near Italy's Sicily, and Tunisia, French protectorate in North Africa, have been mentioned by fascist demonstrators against France. The suggestion has been that Italy wants more rights for the many Italians in these places, although the Italian demands have not been officially formulated.

The sabotage charge against Daladier was emphasized by Il Lavoro Fascista, whose Paris correspondent asserted France "never for a single moment has sincerely adhered to the cooperative spirit of Munich and has proved herself contrary to it with greater frankness every day."

Bitter Italian comment on the French refusal to cede an inch of territory to Italy, a position previously announced by French Foreign Minister Georges Bonnet, strengthened the impression in foreign circles here that Italians definitely want French Somaliland, through which runs the Djibouti-Addis Ababa railway, a gateway to Ethiopia.

Would Not Violate Agreement

It could be argued, they said, that acquisition of that territory on the Gulf of Aden would not violate the Anglo-Italian agreement for maintenance of the status quo in the Mediterranean and the Red sea.

One hundred Italians were repatriated today from southern France in what the fascist press indicated might be a general homeward movement of Italians living in France.

Il Giornale d'Italia, reporting in detail alleged "injuries" against one family, accused French authorities of defrauding it of property accumulated in many years of labor.

The Italians were received ceremoniously by officials at Ventimiglia, on the frontier, and were given a Christmas dinner and presents.

PARIS REJECTS ROME'S CLAIMS FOR COLONIES

Fascists Say Daladier Trying to Keep Britain From Seeking Settlement

By the Associated Press.

ROME, Dec. 26.—Italian fascists charged French Premier Edouard Daladier today with trying to prevent Britain from seeking a settlement of Italy's claims against France.

The charge was made as the French ambassador, Andre Francois-Poncet, sent to the foreign office a French note refusing Italy further colonial grants. It was a reply to an Italian note which held invalid the 1935 Italian-French agreement on positions in North Africa.

Daladier's forthcoming trip to Corsica and Tunisia, on which he will leave Paris next Monday, was described in the fascist press as having both a military and political character.

Some writers asserted a chief aim was to make more difficult the appeasement mission of Britain's prime minister, Neville Chamberlain, when he comes to Rome Jan. 11 in another peace stage of his European appeasement policy.

Nazis Rap U. S. For Defending Secretary Ickes

BERLIN. — (A. P.) — Germany's official news agency, DNB, declared today that hope for improved relations between the United States and Germany "lacks every foundation" so long as the Washington State Department "defends" Secretary of the Interior Ickes.

By the Associated Press

Spanish insurgents dealt the Government powerful blows ashore and afloat today as Pope Pius XI emerged as a possible preserver of world peace in the deepening strife between democracies and dictatorships.

Goverment commanders in Spain rushed reinforcements to the vital Artesa triangle, "key to Catalonia," which lay under the pounding of insurgent guns from the north and west in the eighth day of Generalissimo Francisco Franco's big push toward Barcelona.

Having taken the Balaguer bridgehead sector below Artesa, Franco sent another column toward the tiny industrial town from the southwest.

On the sea, insurgent warships and shore batteries frustrated a daring attempt of the Government destroyer Jose Luis Diez to dash to freedom from Gibraltar past a line of waiting insurgent men-o'-war. The destroyer was forced aground with seven of her crew killed and eleven wounded, but she struck a heavy blow on her own account. ramming and sinking the 1,500-ton insurgent sloop Jupiter.

The Jose Luis had been a virtual prisoner in Gibraltar since last August when she was forced to seek haven after another losing sea battle with an insurgent fleet.

CHAMBERLAIN TO SEE POPE

Prime Minister Chamberlain of Britain and his foreign minister, Viscount Halifax, will be received by Pope Pius January 13, during their visit to Rome to confer with Italian Premier Mussolini.

Vatican circles said the Pope would recommend, that Europe settle its problems without war, but that, beyond expressing his hope for peace, he would refrain from talking politics.

French refusal to allow Chamberlain to mediate the territorial issue between France and Italy, meanwhile, evoked a new barrage of Fascist press attacks. The Rome newspaper Il Messaggero charged that the French attitude against Italy's "natural aspirations" as the "greatest obstacle" to European appeasement.

In Paris, deputies said France would ask military concessions from Syria because of the tension over Italian territorial agitation.

A proposed new agreement, they said, would substitute for the 1936 treaty which provided for Syria's release from French mandate in 1939. Syria has ratified the treaty, but France has not. A Government spokesman declared that France could not risk launching an independent Syria at a time when the French need a firm grip on all their Mediterranean military and naval bases.

In Shanghai, Japanese authorities reported they were driving to break up Chinese resistance in Japanese-dominated Shansi province, in northwest China, but declared they were not attempting to push across the Yellow River into new territory.

FLAY AMERICA'S ATTI

DNB TALKS FOR HITLER

Says There's No Hope for Better Relations Since Ickes Is Supported

TELLS NAZIS OF REBUFF

Statement Indicates 'Sting' Left by Welles' Refusal to Offer Apology on Dec. 1

By the Associated Press.

BERLIN, Dec. 30. — Germany, through her official press agency, bluntly informed the United States tonight there was no hope for improving German-American relations as long as the state department defended Secretary of Interior Ickes.

(State department officials received the statement in silence, but it was noted that the department had given no indication it had expressed hope to Germany for improved mutual relations.)

The warning, issued in a communique by DNB, at the same time gave the German public its first knowledge of the rejection by Acting Secretary of State Sumner Welles of a German protest against Ickes' criticism of Germany Dec. 18 in Cleveland.

The communique let the United States government know that Germany did not take Welles' diplomatic rebuke lying down.

There apparently were no talks in Berlin with American embassy officials before it was issued, but responsible Germans seemed to have advance knowledge of the move, since DNB, immediately after the communique, published copious excerpts of an inspired article from Voelkischer Boebachter, central official organ of Reichsfuehrer Adolf Hitler and the nazi party.

Asks if Conflict Is Wanted

The article asked, "Does the United States want at all costs to provoke a conflict with the German people?"

It charged President Roosevelt with forgetting that he assured Hitler before the Munich accord that hundreds of millions in the world would recognize it as a great historical service if he were to settle the Sudeten issue without resort to arms.

DNB's communique said that Ickes attacked Germany's leadership "in an unwarrantable manner" in his Cleveland speech and that "the sharpest protest" had been made in Washington by Dr. Hans Thomsen, German charge d'affaires, to Acting Secretary of State Welles.

It then said:

"The American foreign office, however, did not—as is a matter of self-evident procedure otherwise in matters of this kind in international relations — disassociate itself from the utterances of the American minister of the interior, but tried to defend them.

"It must therefore be stated that as long as such a procedure, which obviously serves Jewish interests and leaves out of account the real German-American interests, continues in the conduct of relations of the United States of North America with Germany, the hope expressed by the American foreign office to the German charge d'affaires for an improvement of mutual relationships lacks every foundation."

Nazi Acts Termed "Bestial"

(Ickes, speaking before the Cleveland Zionist society, charged that Germany's treatment of Jews carried her back "to a period of history when man was unlettered, benighted and bestial." He criticized the acceptance by Henry Ford and Col. Charles A. Lindbergh of German decorations.

(Thomsen made his protest Dec. 21 and Welles rejected it, warning that as long as German attacks on United States officials continued there was no reason to expect cessation of attacks in this country upon Germany.)

True to the cue given by a government spokesman Dec. 24 that the incident was closed from a diplomatic point of view, Hitler did not choose a new protest as the vehicle for communicating his chagrin over the American rejection.

But he did let Washington know his views through the press communique, which made it evident that it was no overstatement when the government spokesman on Christmas eve asserted a "sting has been left" by Welles' drastic rejection.

Hitler apparently regards the American action as so serious he declines to co-operate for the improvement of relations until the state department changes its tone and attitude.

NAZIS TO BUILD U-BOATS, EQUAL BRITISH STRENGTH;

U.S. DENOUNCES 'CLOSED DOOR'

Final Note to Japan Rejects Claim That Empire Can Void Trade Rights in China

WASHINGTON, Dec. 31 (Saturday) (AP).—The state department this morning announced that Ambassador Joseph C. Grew today delivered a new note to the Japanese government at Tokyo which it was understood here contained a firm but flat refusal to recognize Japan's effort to establish a "new order" in war-torn China.

The note replied to a Japanese note of Nov. 18 in which Japan attempted to maintain that the principle of equal opportunity and the "open door" in China had become obsolete there in view of changing conditions.

It was understood the United States flatly rejected the Japanese contention that obligations of treaties to which this country is a party could be unilaterally broken and that the only way treaties could be brought up to date was by international agreement.

The note, which it was understood stated the United States' fundamental position to Japan, carried a tone of finality to that government.

It followed repeated protests, representations and notes to the Japanese government with respect to American property, rights and interests which had been discriminated against in China since hostilities began in July, 1937.

The Japanese government, in several recent statements on its effort to establish a "new order" in China replacing the "open door" principle, has said conditions of the past could not apply today and tomorrow.

At the same time Japanese government officials have stated that there would be no discrimination against other governments which recognized this situation.

This information has been officially conveyed to Ambassador Grew by Foreign Minister Arita in Tokyo and was fully considered when the state department drafted today's note, which had been under preparation here for more than a month.

It was understood the note, though drafted in strong tones, carried no air of belligerency.

A somewhat similar note which reserved American rights was delivered to the Japanese government in February, 1932, following the campaign in Manchuria which led to the establishment of the puppet state of Manchukuo.

CLAIM 'PARITY' RIGHTS

Plan to Double Present Submarine Tonnage as Treaty Is Scrapped

BLOW TO 'APPEASEMENT'

English See Preparation for Possible War—Cruisers Believed Planned, Also

By the Associated Press.

BERLIN, Dec. 30.—Germany informed Great Britain today that she intended to build up to parity with the British fleet in submarines, the dreaded German World war weapon which was completely banned by the Treaty of Versailles.

When Germany signed a naval treaty with Britain in 1935 she agreed to limit her shiny new U-boat fleet—which has sprung from nowhere in the last three years—to 45 per cent. of Britain's submarine tonnage.

The pact with Britain, however, recognized Germany's right to parity, and there was an escape clause which permitted the reich to build beyond the 45 per cent. "in the event of a situation arising which in its (the German government's) opinion makes it necessary."

Plans to Double Tonnage

Today's announcement means Germany intends to more than double her present submarine tonnage of about 31,000 tons, in construction or complete, since Britain's is about 70,000.

(London political observers felt Germany's demand was a hard jolt to Prime Minister Chamberlain's appeasement policy. British officials explained Germany was taking advantage of a loophole in the 1935 treaty. They said Germany's reasons were "very general."

(British naval circles feared that Germany was building a vast fleet of ingenious "minnow" submarines in preparation for a possible war of destruction against merchant shipping.)

The British and German admiralties are duscussing the matter in the light of naval treaties existing between Berlin and London.

Parity with Britain in submarines presumably would not alter the limitation of Germany's total naval tonnage to 35 per cent. of Britain's, as specified by the 1935 pact. Germany has not built up to 35 per cent.

Germany, however, apparently desires also to build more 10,000-ton cruisers. She is limited in this class to three by a supplementary 1937 treaty with England, provided, though, that soviet Russia builds no more than five.

This matter has been raised by the Germans, although just what they want is not clear.

Now Has Forty-three Submarines

Germany has forty-three submarines, totaling 16,445 tons, completed, and twenty-eight more either under construction or planned. Twenty-four of the forty-three are small, swift 250-ton craft.

Her heaviest undersea boats are of 740 tons, of which thirteen are either built or planned.

Germany announced her intention to a mission of British naval experts from London, just arrived. They will fly back to London tomorrow to report to their superiors.

The chief of staff of the German navy, Admiral-General Erich Raeder, under whom the fleet has grown by leaps and bounds since Germany began rearming openly in 1935, is heading the negotiations with Britain. Rear Admiral Otto Schniewind is assisting.

'HANG IL DUCE,' CORSICANS CRY

Shouts Greet Daladier as He Circles Island With Fleet of Ships

BASTIA, Corsica, Jan. 2 (AP).—Premier Edouard Daladier, of France, circled the island of Corsica with a fleet of warships today in a symbolic warning to Premier Benito Mussolini, of Italy, that France is prepared to fight to keep her empire.

He addressed throngs in Ajaccio and Bastia and in both places tens of thousands of Corsicans made no attempt to conceal their idea of the object of the trip. They greeted Daladier with shouts of "Mussolini au poteau!" (Mussolini to the gallows!") and then sent him off with the chant ringing in his ears.

President Roosevelt Declares America Will Resist Dictators

Executive Hints At Sanctions, New Neutrality Laws

Just before he left Bastia for Tunis, Daladier cried to the citizens: "We prefer death to servitude."

At Ajaccio in the morning he had stated flatly that his trip had been planned to touch there and then to make a circle back around the island as a guarantee that Corsica, a department of France, had nothing to fear for the future.

Daladier told the populace "France does not need to be aggressive or menacing."

"She has no need to raise her voice," he said. "She must be strong; she is, and that is what I have come to tell you while this squadron circles your island."

He referred to his convoying fleet of warships as an "image" of France's strength.

"While this squadron circles your island," he said, "I wish every farmer and every fisherman seeing it pass to return to his home with the calm of one who knows security."

In both Ajaccio and Bastia crowds broke away from the gendarmes and police and fought in the street for an opportunity to cheer the premier. They wrestled with Senegalese and Tunisian sharpshooters, who were forced to ground their bayonets to avoid injuring them.

Italy, whose campaign for a share in the French empire prompted the premier's tour, was not mentioned in Daladier's quiet, confident words, but the people made them apply to fascism with their cries and the squadron of warships and planes flying overhead lent emphasis to his visit.

At Bastia the premier was welcomed by Mayor De Montera, who said: "Five centuries of Genoese oppression has failed to detach us from France, to which we belong." It was an indirect comparison of ancient Italian efforts to rule Corsica and modern fascist claims on the island. Daladier, replying briefly, said "Whatever province we belong to, we are first of all French."

Premier in Tunisia Today

TUNIS, Jan. 2 (AP).—France assembled her armed might in Tunisia today for a thunderous welcome tomorrow to Premier Daladier and a warning to Italy to keep hands off this strategic Mediterranean territory.

Daladier will land tomorrow morning at powerful Bizerta naval base. He will swing immediately into a series of military, naval and air reviews counted upon to wipe away any doubt that France is ready to fight—if necessary—to keep the tri-color flying over her North African protectorate.

At South Gabes, near Italy's Libyan frontier, the French premier will review 25,000 picked troops who man strong frontier fortifications facing fascist armies.

The three-day visit, the first of a government head since France established the protectorate in 1881, marks a new turn in the old French-Italian quarrel over the territory.

Peace of World Not Assured By Munich Deal, F. D. R. Says

WASHINGTON.—(A. P.)—President Roosevelt summoned the nation today to arm—economically, socially and with military force—to meet a world challenge of dictatorial aggression.

Before both Houses of Congress, the Chief Executive solemnly asserted:

"A war which threatened to envelop the world has been averted; but it has become increasingly clear that peace is not assured."

To meet the challenge, Mr. Roosevelt laid down a program of action, both foreign and domestic, for meeting the troubles of the world "as one people."

To achieve domestic solidarity, the President urged continued efforts to bolster national income through Federal spending; hinted at revision of the Labor Relations Act by urging peace in labor's strife and between capital and labor; asked perfection of the farm program; suggested tax readjustments with possible small increases; recommended the general polishing of New Deal laws and added two new enactments, Government reorganization and aid for the railroads.

To meet "international lawlessness" abroad, the President projected a program of rearmament sufficient to protect the country against any attack, together with internal organization of key industries.

SANCTIONS HINTED

Simultaneously, he suggested the possibility of some forceful non-military action against aggressor nations and revision of present neutrality law.

While he did not specifically mention an economic boycott or "moral quarantine," the President said:

"There are many methods, short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

"At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist or build up an aggressor. We have learned that when we deliberately try to legislature neutarlity, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more."

(The present neutrality law makes an embargo on munitions shipments mandatory whenever the President finds that a foreign war exists.)

Mr. Roosevelt did not mention the Munich pact resulting in the dismemberment of Czechoslovakia, when he said peace was not assured.

BROAD HINTS

Nor did he name any foreign nation. But the President referred to "events in Europe" where Czechoslovakia was dismembered at Germany's insistence, "in Africa" where Italy conquered, Ethiopia and "in Asia" where Japan has invaded China.

"All about us rage undeclared wars—military and economic," Mr. Roosevelt said. "All about us grow more deadly armaments—military and economic. All about us are threats of new aggression—military and economic."

Standing on the speaker's dias in the House chamber, the assembled members before him and Vice-President Garner and Speaker Bankhead seated at his back, President Roosevelt said the United States would solve by democratic means problems that dictatorships solve "by main force" and by using force "apparently succeed at it—for the moment."

"Dictatorship," he declared, "involves costs which the American people will never pay."

Mr. Roosevelt enumerated as such costs, spiritual values, free speech, freedom of religion, confiscation of capital, concentration camps, "the cost of having our children brought up not as free and dignified human beings, but as pawns molded and enslaved by a machine."

URGES CARE

The President said "we can and should avoid any action or any lack of action which will encourage, assist or build up an aggressor," adding:

"We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us not to let that happen any more."

For "adequate defense"—and the President said "the deadline of danger from within and without is not within our control"—Mr. Roosevelt advocated armed forces and defense sufficient "to ward off sudden attack," and an organization of key facilities for prompt expansion.

Highlights

WASHINGTON.—(A. P.) — High spots of President Roosevelt's message to Congress today:

A war which threatened to envelop the world in flames has been averted; but it has become increasingly clear that peace is not assured.

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two —democracy and international good faith.

An ordering of society which relegates religion, democracy and good faith among nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering and retains its ancient faith.

The defense of religion, of democracy and of good faith among nations is all the same fight. To save one we must now make up our minds to save all.

There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor nation and deny it to the victim.

We have our difficulties, true —but we are a wiser and a tougher nation than we were in 1929, or 1932.

The first duty of our statesmanship today is to bring capital and manpower together.

We want to get enough capital and labor at work to give us a total turnover of business, a total national income, of at least $80,000,000,000 a year.

U.S. ASKS DUCE TO HELP JEWS

Refugee Problem Is Believed Topic as Rome Announces Message From F.D.R.

ROME, Jan. 4 (AP).—The Italian government disclosed today that President Roosevelt had sent to Premier Mussolini proposals for a solution of the European Jewish problem, but did not say what the proposals were.

United States Ambassador William Phillips, who returned to Rome shortly before Christmas after conferring with President Roosevelt in the United States, delivered the proposals to il duce last night at a lengthy conference in the presence of Italian Foreign Minister Count Galeazzo Ciano.

An official communique, issued twenty-four hours after the conference, gave the first official hint of the nature of the talk. It said:

"Il duce received, in the presence of Count Ciano, American Ambassador Phillips, who was the bearer of a message from President Roosevelt concerning a European Semitic question and possible solutions of a general character."

Refugee Problem Seen As Topic

Diplomatic circles said it was quite probable the president's proposals dealt with the problem of caring for thousands of Jewish refugees seeking to escape from the anti-Semitic campaigns in Italy, Germany and other European countries.

Facilities of American consulates in Italy have been taxed in recent months with applications of Jews seeking admission to the United States.

Many of the applicants are refugees from Austria and Germany who must leave in the next two months under a law expelling alien Jews.

The one-hour talk yesterday and the rarity of such a visit to the premier earlier had caused belief in diplomatic circles that Ambassador Phillips had passed along President Roosevelt's views on foreign policy and a particular hope that the Rome-Berlin axis would abstain from disturbing the peace of Europe.

Czechs Invade Hungarian Land

Heavy Shelling Follows Clash Of Troops

Budapest Deeply Indignant at Attack; New Hitler Coup Believed Planned.

(Compiled from Associated Press and United Press cable dispatches.)

Czechoslovak soldiers, using machine guns, armored tanks and artillery, battled Hungarian troops at the frontier town of Munkacs today in a clash officially reported to have cost at least fifteen lives. The engagement was still going on this afternoon.

The fighting was progressing on Hungarian territory at midafternoon.

At Prague, the Hungarian charge d'affaires called at the foreign office and lodged a protest over the invasion. Czechoslovak officers attached to the joint Hungarian-Czechoslovak border delimitation commission were ordered to the scene of the incident.

Tonight an official announcement in Budapest said Hungarian troops had driven the invaders back across the frontier.

An official Budapest announcement said that Czech troops and members of a Ukrainian free corps attacked Oroszrev, a suburb of Munkacs, early this morning.

At midafternoon, the announcement said, the battle continued and the known dead included four Hungarian officers, five Hungarian soldiers, five Czechs. Several other bodies were removed by Czech comrades from the field.

OUTGROWTH OF DISPUTE

The fighting, considered an outgrowth of the recent dispute over the Czechoslovak-Hungarian frontier, began at 3:40 a.m., the Government announced. Officials asserted that Czech troops and a unit of the Ukrainian free corps attacked Oroszrev with machine guns and three tanks.

The fighting continued for about five hours, Hungarian dispatches said, after which the Czechoslovaks opened artillery fire on Munkacs, causing damage to eight public buildings.

Political quarters in Budapest expressed the deepest indignation at what was called a Czech attack, and it was announced that the Government had sent a sharp diplomatic protest to Prague.

In addition to the representations to Czechoslovakia, it was said, the Government brought the incident to the attention of the German and Italian ministers here. Germany and Italy arbitrated in the dispute by which Hungarian minority territory in Czechoslovakia, including Munkacs, was awarded to Hungary.

ANOTHER HITLER STEP

In Berlin, meanwhile, competent observers foresaw another major step in Germany's "drang nach osten" — march to the east— as the result of Reichsfuehrer Hitler's long talk yesterday with Col. Joseph Beck, Polish foreign minister. Hitler, they said, sounded Beck out on whether Poland would cooperate.

He was believed to have felt his way on one Nazi dream —in which Poland might share. That would be to give Poland rule over an autonomous Ukraine, with Germany reserving indirect influence.

At the start of the third week of Generalissimo Francisco Franco's drive toward Barcelona, in Eastern Spain, the Government's line was swayed at both ends and broken at two places in the middle.

Insurgents, however, still faced two secondary rows of Government defenses between them and Barcelona more than sixty miles away. Also, Government sources said, government troops have launched a counter-offensive in Southern Spain to divert Franco's strength from the north.

DUCE STUDIES U. S. PLAN

Trustworthy sources in Rome said that Premier Mussolini was studying a United States proposal for giving refuge to some Jewish emigres in Ethiopia.

Il Duce, they said, showed an "encouraging attitude" toward proposals given him by United States Ambassador William Phillips last Tuesday in a memorandum from President Roosevelt.

While French Premier Daladier visited Algeria, North African Department of France, on his Mediterranean tour to show Italy the mettle of French resistance to Fascist colonial aspirations at her expense, the Fascist press in Rome charged "outrages" against Italians in French Tunisia.

WITH FRANCE, BRITAIN HINTS

Tea Date for Chamberlain Is Seen as Notice Italian Claims to Be Opposed

LONDON, Jan. 6 (AP).—Prime Minister Chamberlain made an announcement today generally regarded as discreet notice to Premier Mussolini that he stood behind France on the matter of the Italian campaign for French territory.

Chamberlain disclosed he would have a two-hour conversation with Premier Daladier, of France, next Tuesday during a stop in Paris on his way to Rome for conferences with Mussolini.

Ostensibly the Paris stop is for "tea," but the tea will be served at the French foreign office and will be sipped by the British and French foreign ministers, Viscount Halifax and Georges Bonnet, as well as by the two premiers.

The Italian press suggested that Britain mediate the French-Italian dispute, but France on Dec. 29 informed Britain officially that she did not want Chamberlain to undertake this during the Rome visit, which will last from next Wednesday through Saturday.

Though Chamberlain and Lord Halifax will arrive in Paris on the Golden Arrow at 5:30 p.m. Tuesday and will leave at 7:30 p.m., it is estimated they will have as much time for political talk as Chamberlain will have with Mussolini during his entire stay in Rome.

Il duce has arranged for Chamberlain to see Pope Pius on Friday. In addition he has scheduled so many other engagements that it leaves comparatively little time for serious political discussion.

Informed quarters explain, however, that the British premier hopes to make a personal friend in Musolini in the hope of influencing Italy's action, as he did during the September crisis when he prevailed upon il duce to confer with Chancellor Hitler.

NO MORE SACRIFICES, DALADIER DECLARES

ALGIERS, Jan. 6 (AP).—Premier Daladier ended his tour of France's North African defenses today with a declaration that France would make no more "sacrifices for peace."

At a banquet given by Algerian civil and military leaders to wind up the four-day Mediterranean tour in which he inspected defenses in Corsica, Tunisia and Algeria, Daladier said that he not only would refuse to cede an inch of French territory, but that he "will not be fooled by juridical maneuvers."

His audience interpreted this as a refusal to give the Italian population of Tunisia rights which would permit them to rival the French in the protectorate.

The premier nodded his head firmly as aged Senator Roux Freysenning, of Algiers, said:

"The Italians should learn their lesson from your triumphant trip."

DUCE REPORTED READY TO JOIN IN AIDING JEWS

Call to Hitler Made Following Receipt of F.D.R.'s Plea—African Haven Urged

MAY EASE EXILE TERMS

Mussolini, Norman Believed to Be Seeking Changes in Export 'Ransom' Plan

By the Associated Press.

LONDON, Jan. 6.—Reliable sources reported tonight that Premier Mussolini had agreed on a request from President Roosevelt to ask Chancellor Hitler's aid in getting Jews out of Germany.

It was understood that Mussolini, after seeing United States Ambassador William Phillips on Jan. 3, telephoned Hitler at Berchtesgaden. Hitler's reaction was not disclosed.

Prime Minister Chamberlain was said to have given his support to President Roosevelt's proposals and to have offered to give whatever assistance he could during his visit with Mussolini next week. The British premier, it was said, would take full details of the proposals with him on his Jan. 11-14 trip.

Ambassador Phillips was said by a well-informed source to have asked that Mussolini support more lenient terms for the emigration of Jews from Germany.

The suggestion was understood to have called for modifications of a Jewish emigration plan attributed to Dr. Hjalmar Schacht, president of the reichsbank, and Mussolini was described as sympathetic.

Germany's original plan was that emigration of refugees be financed by making foreign powers increase their purchases of German goods.

It was understood that subsequently both Mussolini and Montagu Norman, governor of the Bank of England, had interceded with German officials to get the German demands modified.

No official comment on the Phillips-Mussolini conversation has been made in Italian circles in Rome. Trustworthy sources there said earlier today, however, that Mussolini was studying a United States proposal for settlement of some Jewish refugees in Ethiopia. Mussolini was described as having shown an "encouraging attitude."

BATTLE ROCKS CZECH BORDER

Dozen Are Reported Dead in Outbreak With Hungarians in Disputed Territory

BUDAPEST, Jan. 6 (AP).—Bitter border fighting with machine guns, an armored car and even light artillery fire burst forth today in the neighborhood of Munkacs, a city of 30,000 which Hungary acquired in the Nov. 2 partitioning of Czecho-Slovakia.

The Hungarian intelligence service asserted it had evidence that Czecho-Slovak troops deliberately attacked Munkacs and the adjacent village of Orosveg, precipitating hostilties which were reported to have caused a dozen or more deaths.

The fighting had stopped tonight, but thousands of Hungarian troops were moving toward border points. Only troops on active duty were involved. No reservists had been called to the colors.

In several Hungarian communities angry crowds demanding aggressive action were dispersed by police.

Czecho-Slovakia and Hungary agreed on a joint investigation of the clash. This step followed presentation of a written Hungarian protest to Minister Plenipotentiary Krno, of the Prague foreign office.

Czech Official Conciliatory

Hungarian quarters said Krno took a conciliatory attitude.

Hungarians said the "invaders" began shelling Munkacs, striking first a hotel, a motion picture theater and the municipal theater, and in intermittent fire in the afternoon were concentrating on the residential district. At 4 p.m. Hungarian military authorities asserted the attackers had been repulsed.

They announced their troops had taken a number of prisoners and captured armament which they declared was identified as having belonged to a unit of the Czecho-Slovak army.

Some military leaders in Budapest were urging mobilization. The cabinet met for an hour, but the government was proceeding cautiously.

It weighed the possibility of international complications which might arise from the most aggravated border incident which has occurred along the northern frontier since Italian and German mediators in Vienna awarded Hungary 4,875 square miles of Czecho-Slovakia.

Hungary was aware that Germany opposed her annexation of Munkacs,

CZECHS, MAGYARS FIGHT ON FRONTIER

From Page One

and that she obtained the city in the Nov. 2 award only after Italy vigorously supported her claims.

Budapest buzzed with persistent reports on which officials refused to comment that a "foreign influence" was encouraging hostility toward Hungary in Carpatho-Ukraine.

The question of responsibility for today's incident is complicated by the fact the border demarcation commission has not finished its work in the Munkacs region.

The Italo-German mediators in November defined the border only in a general way. An international commission was given the task of fixing a precise line. Regions a mile or so in width still are in dispute in many sections.

The border for some time has been one of Europe's uneasiest frontiers. Hungarians, wanting a common border with Poland, were dissatisfied with the Vienna award; Czecho-Slovakia and Germany both opposed giving Munkacs and another Carpatho-Ukrainian city, Ungvar, to Hungary.

Hungarian 'Invaders' Blamed

PRAGUE, Jan. 6 (AP).—A Hungarian army officer was reported killed and several Czech gendarmes seriously wounded today in an eight-hour battle between Czecho-Slovak and Hungarian forces on the Hungarian frontier of Carpatho-Ukraine (Ruthenia).

Czecho-Slovak officials who made the report said the officer was a member of the international commission laying out the new border between Hungary and Carpatho-Ukraine, several hundred yards from the new boundary.

The Czecho-Slovak version of the encounter was that firing began at 8 a.m. (2 a.m. eastern standard time) on Carpatho-Ukrainian territory when Hungarian troops and "terrorists" crossed into the autonomous state.

The battle stopped at 4 p.m. after Czecho-Slovak and Hungarian officers who had rushed to the scene reached an agreement, it was reported.

New Explosion On Hungarian Border Feared

Nazi Influence In Memel Gains As Directorate Resigns.

(Compiled from Associated Press and United Press Cable Dispatches.)

Diplomatic reports to London said today that a most dangerous situation exists on the Czecho-slovak-Hungarian frontier as the result of a clash at Munkacs, and that a new explosion might occur at any time.

Rumania was reported to be so worried at the possibility that she would be drawn into a general fight, that she was inclined to reconsider her refusal to agree to a common Hungarian-Polish frontier at Czechoslovakia's expense.

When news first reached London yesterday of the serious fight between Czechoslovak and Hungarian soldiery at Munkacs, which was awarded to Hungary in the dismemberment of Czecho-slovakia, there was a tendency to regard the incident as an isolated one of little importance.

THREAT OF REPRISALS

Today, however, it was reported in well-informed quarters that Hungary, in protesting to the Czechoslovak government, asserted that Hungary's efforts to improve mutual relations had been frustrated by the Munkacs attack and that Hungary would decline to accept responsibility for future events.

This was believed to contain the threat of reprisals.

Hungarians engaged in cleaning up after the one-day battle announced that forty Czechoslovaks and seven Hungarians had been killed.

The official Hungarian report added that 200 houses in Munkacs, center of yesterday's battle, were damaged by Czechoslovak shell fire.

When the Czechoslovak forces retreated, Hungarians declared, they took hostages with them from the Hungarian village of Oroszveg which they occupied for a few hours.

NAZI GAIN IN MEMAL

Meanwhile the Memel Directorate, headed by August Baldscus, resigned, marking another step in Nazification of the semi-autonomous territory within Lithuania. The new directorate is expected to be headed by the Nazi subleader, Willy Bertuleit.

In the wake of the Nazi success in the recent election, the Germanization of Memel has been proceeding rapidly. The directorate issued a decree yesterday designed to increase the use of the German language in the schools.

At the same time new friction brewed in East Africa between France and Italy, at loggerheads over colonies.

BOYCOTT RAILROAD

Travelers reaching Djibouti, French Somaliland, from Italian Ethiopia reported that Italian authorities had ordered a strict boycott of the French-controlled railroad connecting the coast and Addis Ababa.

An attack on the railroad station at Liredawa in which heavy damage was done and railway employes were manhandled also was reported. The French blamed Italian Fascists.

The boycott and raid, reliable informants said, probably indicated new Italian pressure to win control of the railroad, a major bone of contention in the Fascist clamor for French possessions.

LOYALIST LINE PIERCED

In a week's major fighting in Spain, Generalissimo Francisco Franco's forces have pierced the first line of government defenses of Barcelona. Government forces have launched a counter-offensive in the southwest aimed at diverting Franco's strength from the main campaign in the north.

In China, Generalissimo Chiang Kai-Shek's forces launched a surprise offensive on Hangchow, capital of Chekiang Province, on the coast south of Shanghai.

Foreign circles in Rome said they expected Premier Mussolini, at the request of President Roosevelt, to use his influence — probably on Reichsfuehrer Hitler first— for a general settlement of Europe's refugee problem.

Reports from Berlin that Il Duce had communicated with Hitler by telephone led to belief he already had broached the subject.

France Warns Italy

Ever since Nov. 30, when Italian deputies rose in the chamber of deputies and shouted "Tunisia," "Corsica," "Nice" and "Savoy," the question of Italian colonial demands has been in the limelight. Since these demands most directly concern France—for it is she who would have to give up the territory in question if they were fulfilled—France answered last week by sending broad-shouldered Premier Edouard Daladier to Corsica and Tunisia "to cement empire solidarity."

Early Monday morning, after an all-night, but victorious battle against leftist opposition in the chamber of deputies, Premier Daladier sailed from Toulon, the city where Napoleon first gained fame, for Corsica, scene of the conqueror's birth and early childhood. There the French premier was accorded a tumultuous welcome, speakers proclaimed Corsica's solidarity with France and the populace cried "to the stake with Mussolini."

Tunisians Enthusiastic

In Tunisia next day M. Daladier's welcome was even more enthusiastic. The crowd cheered him to the echo and Sidi Ahmed, bey of Tunis, assured the visitor of his personal co-operation and loyalty. Tunisians echoed Corsica's outbursts against Mussolini. M. Daladier, who is his own war minister, carefully inspected the fortifications and defense forces of the protectorate and was reported well satisfied with them.

Meanwhile, the bey's troops put down numerous anti-French demonstrations by groups of Tunisian Italians, and in Rome the fascist press renewed its attacks on France.

Tuesday, Britain's Premier Neville Chamberlain is scheduled to arrive in Rome for a series of talks with Premier Benito Mussolini. One of the chief topics of the Chamberlain-Mussolini conversations is expected to be Italy's demands for a larger place in the Mediterranean sun.

In London it was disclosed that Mr. Chamberlain will stop in Paris two hours on his way to Rome and during that time will have tea with Premier Daladier and Foreign Minister Georges Bonnet at the foreign office. In some quarters this was interpreted as indicating Mr. Chamberlain will stand with France in dealing with Italy's colonial aspirations.

Previously the Italian press had suggested that Britain mediate the French-Italian dispute, but on Dec. 29 France officially informed Britain that she does not want Chamberlain to undertake such a task during his visit to Rome.

SCHOOL SEIZED BY NAZIS, NUNS WILL GO TO CHILE

VIENNA, Jan. 7 (AP).—The Augustine nuns of Salzburg, whose schools were famed throughout the German-speaking world, have decided to emigrate to Chile, after being compelled to turn over their convent and school to nazi workers organizations, it was learned today.

A similar fate befell the school sisters at Wels, in upper Danubia. It is not known what will become of them.

Chamberlain's Visit With Duce Watched For 'Comeback' Sign.

By JOE ALEX MORRIS
United Press Foreign News Editor.

A newly militant democratic front gets its first test of strength this week against the dictatorial bloc.

British Prime Minister Neville Chamberlain leaves London tomorrow for four days of negotiation with Italian Premier Benito Mussolini in Rome.

Officially, the visit is to further the program of European "appeasement" which Chamberlain inaugurated after the Czech crisis in an effort—so far vain—to adjust international grievances by friendly negotiation instead of by war or threat of war.

Thus, the two leaders are expected to touch on the possibility of solving the quarrel between Italy and France over Mediterranean colonial possessions, to discuss withdrawal of Italian troops from Insurgent Spain and, possibly, to talk of a broad network of antiwar pacts among Italy, France, Germany and Great Britain.

But actually Europe's diplomats will be watching for something more important. They will be looking for the first indication of how successful the democratic nations have been in their struggle to unite and rearm sufficiently to restore the balance of power in Europe; to offset the ability of the totalitarian States to gain their ends by threatening war at any moment.

Chamberlain and Mussolini will face each other under conditions sharply contrasting with their last meeting. That was at Munich, when the Nazi-Fascist dictatorial combination was in the ascendancy and the prestige of Great Britain and France was on the skids.

Since that day, when Fuehrer Adolf Hitler's demands for domination of Central Europe were met, the world has witnessed a vast transformation. Fundamentally, what is happening is that the democratic powers are on a "comeback" campaign, in which success or failure may decided whether 1939 is to be a year of peace or of war.

Great Britain, France and, indirectly but unavoidably, the United States, are the principal figures in the democratic lineup. At Munich, Britain and France—and indirectly the United States—permitted the principles generally lumped under the heading of "democracy" to suffer a setback at the hands of the Nazi-Fascist bloc epitomizing the totalitarian philosophy. That was due primarily to lack of arms and lack of unity.

Since then:

Great Britain has pushed its gigantic rearmament program with emphasis of equality with the Nazi air fleet.

The United States has projected a $1,800,000,000 defense program.

France has resorted to a dictatorial economic recovery plan designed to get its great aerial arms program going after long delay.

Great Britain has reaffirmed its ties with France and gradually has stiffened its attitude toward Nazi Germany. Chamberlain will stop off in Paris en route to Rome to emphasize support of France.

The United States has fostered a plan, as yet untested, for closer unity of the Americas against foreign influence and President Roosevelt has publicly challenged the dictators in a message to Congress.

France has shouted "No!" to the Italian demands for concessions in the Mediterranean and Premier Edouard Daladier returned Saturday from a tour of Corsica and North Africa which emphasized that France is ready to fight.

Those developments have highlighted the "come-back" of the democratic powers in the three months since Munich. In a broad sense, they form the first stage of a struggle which will confront force with force; to present a united democratic front against a united totalitarian front. It is an admittedly perilous attempt—for huge armaments always have been a prelude to war—to force "have-not" nations to arbitrate instead of fight out their quarrels with the "have" nations.

There are two principal theaters in which this shifting balance may be tested in Europe. One is the Ukraine, where Nazis have been reported planning to foster an independent States of 40,000,000 persons at the expense of Poland, Rumania and Soviet Russia. The alignment of powers there is still vague and dependent upon many undeveloped factors besides being outside the direct interests of Britain and France.

The other theater is the Mediterranean, where Italy, claiming that Germany will fight beside the Fascist armies if war comes, is dreaming of a modern Roman empire at the direct expense of Britain and France. It is there that the vital interests of the democracies lie.

Secretary Says Accord Among Americas Points Way for Others.

(By the Associated Press.)

Cordell Hull offered the world today the principles adopted by the eighth Pan-American Conference as "a charter for international conduct."

The Secretary of State and chief United States delegate to the recent conference at Lima, Peru, said such a charter would be "based on equality, justice and freedom—indispensable foundation of peaceful and friendly relations among nations of the world.

Sun-tanned and evidently well-rested as the Santa Maria neared her New York dock, ending his six-and-a-half-weeks' journey to South America, Hull added:

"I return from the conference with the conviction that its results will have real and permanent value and that, as time goes on, the far-reaching effects of principles there enunciated will become more apparent and more significant."

Flanked by other members of the American delegation, the white-haired Secretary of State characterized the Lima meeting as an "example for the conduct of international relations by friendly discussion rather than by force or violence."

He called attention to the importance of a resolution adopted at Lima for reduction of trade barriers at home at a moment when "economic chaos is existing in considerable parts of the world."

The declaration of continental solidarity for defense, Hull said, "represents great progress beyond agreements adopted at former inter-American conferences."

"Outstanding at the conference," he declared, "was the realization by the delegations that international lawlessness and international anarchy exist in many areas of the earth, and that the situation can be cured and that rights of nations and their peoples can be protected only by acceptance of a system of law and order based ultimately on international justice and good faith."

The United States, he asserted, neither desired nor sought military alliances at the Lima Conference. The American republics "made it clear that they were ready to cooperate with all nations of the world," he said.

Two Great Battles

At the same time, two great battles are raging in Spain and a ferment of animosity on the border between Hungary and Czechoslovakia is disturbing both Prague and Budapest.

Both armies in Spain reported victories. The government said its forces were moving westward through Southern Spain toward the Portuguese frontier. The insurgents said their armies had forced back the government line in the northeast and merged for a new drive toward Barcelona, the government's capital.

Map shows border town of Munkacs where Czecho-slovak troops clashed with Hungarians to provoke another grave European crisis.

The Hungarian Minister to Prague, now in Budapest, delayed his return in a strong hint that recent border clashes of armed forces had endangered Hungarian diplomatic relations with Czechoslovakia.

The border itself was quiet but the Hungarian press printed a foreign office statement that another incident would have far-reaching consequences. Hungary strengthened her forces near the scene of border fighting Friday and yesterday and both countries were reported quietly expelling citizens of the other.

HUNGARY SAYS CZECH TROOPS BOMBARD TOWN

3 Houses Reported Burned by Incendiary Shells, but No Loss of Life Occurs

INFANTRY IS REPULSED

Two Other Border Clashes Reported From Chust as Investigation Begins

By the Associated Press.

BUDAPEST, Jan. 8.—Fresh fighting broke out on the uncertain borders of Hungary and Czecho-Slovakia today and Czecho-Slovak troops were declared to have bombarded a Hungarian village with incendiary shells.

The Hungarian Telegraphic agency, in a report at 10.30 p.m. (3:30 p.m., central standard time), said three Hungarian houses were set afire in the village of Nagygejoce, near Ungvar, by the Czecho-Slovak shells, but that no loss of life occurred.

The fighting, said the agency, started Saturday night and continued intermittently Sunday morning, with the Czecho-Slovaks keeping up an irregular fire even after officers on both sides began an inquiry into the incident.

(Reports from Chust, capital of Carpatho-Ukraine, the eastern province of Czecho-Slovakia, told of two other border clashes at Dovhe and at another village between Vysni Koropec and Munkacs. One Czecho-Slovak officer was reported wounded.)

Ungvar is about twenty-five miles west of Munkcas, where Hungarians said forty-seven persons were killed in an eight-hour battle and bombardment Friday.

Czech Territory on Three Sides

(Ungvar and Munkacs are located in separate indentations of territory, each about ten miles across, with Czecho-Slovak territory on three sides.

(Both border Carpatho-Ukraine, to which Hungary has been reluctant to give up her claims in her desire to achieve a common frontier with Poland. Germany has opposed her ambition.)

The Hungarian account of the Ungvar clash said the Hungarians gave no ground, and that reinforcements summoned to the village from Ungvar were sent back.

Meanwhile, Hungarian light artillery arrived in Munkacs and the city again was full of soldiers. The town was occupied by troops when Hungary took possession after the Vienna award, but the last of the occupation force had been withdrawn only a few days before the Czecho-Slovak bombardment Friday revived the issue as to which country the city belongs.

The commander of the Hungarian frontier patrol said his front was first attacked by a mixed formation of 200 Czecho-Slovak soldiers and Ukrainian irregular infantrymen. The patrol took up defense positions and asked for reinforcements from Ungvar.

The infantry attack was repulsed, according to the official Hungarian version, but then artillery began to fire incendiary shells, which started scattered blazes in the village.

One regular Czecho-Slovak officer was reported captured.

From Munkacs, where a similar clash and bombardment occurred Friday, it was reported the Czecho-Slovaks had acceded to Hungarian suggestions to withdraw from positions at the city's edge and that the nearest Czecho-Slovak troops were now several kilometers from the city limits. It was reported that the Czecho-Slovaks had indicated a willingness to exchange prisoners and return property seized Friday.

Was Ceded to Hungary

Ungvar, 160 miles northeast of Budapest, formerly was capital of Ruthenia, now called Carpatho-Ukraine. It was ceded to Hungary after the Vienna award of Nov. 2 by Italy and Germany, and Chust became the Carpatho-Ukraine capital.

. (Germany has opposed Hungary's ambitions to acquire the rest of the province partly because she may wish to use the Ukrainians there as a foundation for the formation of a large autonomous Ukraine state, carved from territories of Poland and soviet Russia, as well as from Czecho-Slovakia and Rumania.)

As a result of the tension Hungary strengthened her frontier forces.

Troops bound northward, equipped for campaigning in the snowbound region of Carpatho-Ukraine should the need arise, crowded the few highways leading to the border.

Hungarians said they had information that Czecho-Slovak units had moved closer to the demarcation line (which in many instances is tentative because a joint border commission has not finished its work) with artillery and infantry.

From the east came reports that Rumanian troops had strengthened garrisons along the border of Carpatho-Ukraine.

Urge Withdrawal of Troops

The Hungarian foreign office said an urgent "request" that Czecho-Slovak troops be withdrawn from positions menacing Munkacs had been communicated to the Czecho-Slovak regional command, but denied a time limit had been attached.

Several press dispatches from Munkacs and Chust said the Hungarians had insisted upon evacuation of the Czecho-Slovak positions by 2 p.m.

Secret Is Out

U. S. Banned Shipment Of Arms to Japan in July;

Embargo Against Tokyo Put Into Effect Because of Civilian Bombings.

WASHINGTON.—(A. P.)—The United States was disclosed today to have blacklisted Japan from further purchase of either airplanes or bombs in this country because of Japanese Army bombings of civilian populations in China.

The ban, which went into effect last July 1, did not prevent Japan from buying nearly $9,000,000 worth of American aircraft earlier in 1938.

All countries whose armed forces bomb civilians are included in the ban, but thus far Japan and Spain are the only countries found engaged in such practices. Spain is prevented from purchasing any munitions in this country by a special embargo act passed in 1937.

This information was contained in the annual report of the national munitions control board submitted to the Senate today. Secretary Cordell Hull is chairman of the board, on which also sit the Secretaries of the Treasury, War, Navy and Commerce.

SALES DOUBLED

The report disclosed that the sale of American munitions abroad more than doubled in 1938, amounting to $94,209,532.23 as compared with $45,076,316 in 1937.

The board operates under provisions of the Neutrality Act, which requires all exporters of munitions to obtain licenses from the State Department for everything sold abroad.

It reported that no American arms had reached insurgent Spain since the embargo went into effect, and that it had frustrated numerous attempts to ship arms to government forces in Spain through third countries.

Fascist Italy Is Now Calling Back Its Emigrants to Other Countries

Repatriation of Estimated 10,000,000 Italians Living Abroad Would Strengthen Duce's Claim of Expansion Need, Provide More Soldiers

By the Associated Press.

ROME, Jan. 8.—Italy, the land of teeming population which once sent 500,000 emigrants yearly to foreign countries, now is calling them back.

Premier Mussolini wants to get as many as possible of the Italians living abroad—Italy estimates the number at 10,000,000—under the Italian flag once more.

A repatriation commission has been established by the government and given $500,000 to start the work. The machinery of the fascist party, which has units among Italians in other countries, has been put to work to assist the great anticipated homeward migration.

One hundred Italians from southern France were the first to be brought home. They arrived for Christmas and were given a festive dinner by officials at the frontier.

If the call of the mother country were heeded by a large number, many eventually would be settled in the new Italian empire. But, at the start, plans call for absorbing them in the home territory.

Like the fascist campaign for more babies and the law against further emigration, the repatriation would make Italy's population even denser than it is.

This in turn would give greater strength to Mussolini's argument for Italy's necessity for territorial expansion—and give him more manpower to call upon if war were necessary to achieve the expansion.

Units of the fascist party and the fascist workers, industrialists' and agricultural syndicates have been ordered to get ready for the economic absorption of those Italians who come home.

The summons to return to Italy has brought a deluge of responses from Italians abroad, the repatriation commission has announced, but it is proceeding slowly at first to prevent the labor market from being glutted.

The figure of 10,000,000 Italians abroad does not take naturalizations into account and includes the children born to Italians abroad, whom Italy considers Italian citizens although most of them never have seen Italy.

According to this figure, there are 3,749,000 Italians in the United States, 1,837,000 in Brazil, 1,826,000 in Argentina and 992,000 in France.

According to the United States census of 1930, there were only 1,790,000 natives of Italy in the United States. Many of these had renounced allegiance to Italy through naturalization and their children, in most cases, are American citizens.

Britain Sides With France Against Duce

PARIS.—(A. P.)—An agreement between France and Britain to reject any Italian territorial demands for a share in the French empire was announced to the French Cabinet today by Foreign Minister Georges Bonnet.

After a Cabinet meeting at the Elysee Palace, shortly before British Prime Minister Chamberlain and Foreign Secretary Viscount Halifax were to reach Paris on their way to Rome, it was disclosed that Bonnet told his colleagues he had received assurance of "the complete accord of the London Cabinet with the French point of view."

LONDON. — (U. P.) — Unemployed held a riotous demonstration at Victoria station today as Prime Minister Neville Chamberlain left for Rome to visit Premier Mussolini and in all probability, to learn the fate of his policy of European diplomatic appeasement.

Unemployed demonstrators gathered at the station with their now famous black coffin, on which is painted "He died of hunger, 1938."

"Appease the unemployed, not Mussolini," they shouted.

Six-foot policemen, standing shoulder to shoulder, barred the demonstrators from the station platform, so the demonstrators, including women, marched up and down, singing and shouting.

They made a sudden attempt to rush the platform. They were repulsed in a series of scuffles in which the coffin nearly slid over the policemen's heads.

Defeated, the demonstrators contented themselves with booing and cat-calling as Chamberlain departed, while a crowd of 500 other people cheered.

Chamberlain, smiling and carrying his famous umbrella, seemed unaware of the demonstrators as he bade farewell to cabinet ministers gathered to see him off.

U. S. SHUTS OFF JAPAN'S BUYING OF WARPLANES

'Moral Sanctions' Invoked Because of Bombings, Congress Learns

ACTION TAKEN IN JULY

All Companies, Excepting One Which Is Not Named, Quit Selling to Tokyo

By the Associated Press.

WASHINGTON, Jan. 9.—Congress learned today that "moral sanctions" invoked by the state department against countries bombing civilians have virtually shut off Japan's purchases of military aircraft in the United States.

This information was conveyed in the annual report of the national munitions control board which said the system of munitions export licenses now in effect gave the government complete and current information "on the exact quantities of arms, ammunition and implements of war which leave this country, the country of destination of each shipment and identify of the exporters."

Action Taken Last July

The report made public for the first time a circular letter the state department sent last July 1 to all aircraft makers and exporters asking their co-operation in keeping American planes out of the hands of nations whose armed forces bombed civilians.

"The department would with great regret issue any licenses authorizing exportation, direct or indirect, of any aircraft or aircraft accessories, aerial bombs or torpedoes to countries the armed forces of which are making use of airplanes for attack upon civilian populations," this letter said.

The department asked all manufacturers and exporters having contracts with foreign governments falling under the ban to report full details of their contracts to the department.

The munitions board told congress today that all companies "with only one outstanding exception" had conformed to the policy and that application for licenses to ship to such countries "had virtually ceased to be presented to the secretary of state." The exception was not named.

Japan Alone Affected

The name of Japan did not appear in the board report in this conection, but it was reliably learned the department meant the order to apply only to Japan and Spain. Spain was not affected, however, because all munitions shipments there are banned by the 1937 embargo.

Despite the ban, Japan purchased about $9,000,000 worth of military aircraft and accessories here in 1938. Most of the shipments were licensed, however, before that country was informally blacklisted for its civilian bombings in China.

The board's chairman is Secretary of State Hull. The secretaries of war, navy, commerce and the treasury also serve on the board which functions under the neutrality act.

The board reported that despite rigid contral through export licenses forty airplanes which were manufactured almost wholly from American parts reached Spain last year. The circumstances now are being investigated by the department of justice, it said.

The plane parts were shipped to Canada under representation that was to be their ultimate destination. The board said the planes left Canada under forged papers showing they were to be shipped to Turkey, but actually were sent to France, thence to Spain.

RUSSIA WILL AUCTION FISHERIES JAPAN USES

TOKYO, Jan. 9 (AP).—Soviet Russia has informed Japan she intends to auction during February fishery lots in the sea of Okhotsk hitherto operated by the Japanese though negotiations still are in process for a new Soviet-Japanese fisheries agreement.

The Japanese ambassador in Moscow, Shigenori Togo, has informed Soviet Foreign Commissar Maxim Litvinoff that such a step would aggravate Russian-Japanese relations.

Kennedy, Bullitt to Give Congress Secret Data on German Air Force

By the Associated Press.

WASHINGTON, Jan. 9.—Armed with secret data, which is understood to include a report from Col. Charles A. Lindbergh on Germany's air armada, two key United States' ambassadors will go to Capitol hill tomorrow, apparently in an effort to remove congressional doubts about the Roosevelt armaments program.

The two men, Joseph P. Kennedy, ambassador to London, and William C. Bullitt, ambassador to Paris, arrived here unexpectedly today from Florida vacations. They held a prolonged conference at the White House, where the president is finishing the defense message he will send to congress this week.

Tomorrow Kennedy and Bullitt are to go before an unannounced joint meeting of the military committees of congress to tell what they know of the European political and military situation before, during and after the famous "Munich peace." They also are expected to discuss the chances of an outbreak of war this year in Europe. Kennedy recently said he could not prophesy peace after the beginning of this year.

While many members of congress have applauded the Roosevelt arms program, which calls for an extra expenditure of $500,000,000, others have expressed doubt that the size of the program is warranted.

It was reported tonight that Lindbergh's report to American authorities on German air strength would be discussed at tomorrow's session, if not actually laid before the legislators. Both Kennedy and Bullitt are intimately acquainted with the views held by the famous flier on the reich's great air superiority in Europe.

Lindbergh only recently spent some weeks in Paris, where he had the opportunity to discuss his views fully with Bullitt.

Bullitt postponed his return to Paris by more than two weeks to come to Washington today in response to a presidential call, while Kennedy interrupted a Florida vacation to travel northward with Bullitt. Kennedy probably will return to Florida at the conclusion of the appearance before the committees, while Bullitt will prepare to take a ship for France.

While neither Bullitt nor Kennedy has commented publicly, both have been outspoken privately in their views that Germany's air strength was the deciding factor last September at Munich, and that Germany is forging ahead building at least 1,000 planes per month.

They probably will be called upon to tell the congressional committees what this means to the United States, and give their reasons for believing the challenge of this air strength must be met here.

HULL CALLS ON WORLD TO USE LIMA PROGRAM

Says Conference's Principles Offer Charter of Conduct for All Nations

By the Associated Press.

NEW YORK, Jan. 9.—Cordell Hull, secretary of state, returned today from his third Pan-American conference with a call to the world to embrace the principles adopted at Lima.

Arriving from Callao, Peru, the 67-year-old helmsman of American foreign policy declared:

"I return from the conference with the conviction that its results will be of real and permanent value and that as times goes on the far-reaching effects of the principles there enunciated will become more apparent and more significant.

"Those principles offer a charter for international conduct, based upon equality, justice and freedom—the indispensable foundation of peaceful and friendly relations among the nations of the world."

"Designed for All Nations"

Hull said the program adopted at Lima was "susceptible of universal application, designed to safeguard the rights of all peoples and all nations—weak and strong.

"By these principles the conference sought to make it clear that the nations of the New World do not seek to isolate themseives from the rest of the world, but they do strongly advocate and support sound and fundamental principles of international relations that can be universally applied.

"If the public opinion of the world can be rallied to these principles, the American republics will have made a most valuable contribution to a system of international relations based upon law and upon respect for the rights of all nations and of all individuals, regardless of race and religion."

Hull, surrounded by members of the American delegation, was welcomed by New York and other officials. He caught the first train for Washington.

Praises United States Delegates

Hull praised the American delegates, saying they "gave every evidence that in the fundamentals of inter-American relations there is unity of purpose on the part of the people of the United States regardless of political or other affiliations of a domestic character. That fact greatly increased the effectiveness of the work of our delegation." He was believed referring to statements of Republican Leader Alfred M. Landon at Lima that United States policy toward Latin America would preserve a continuity of direction regardless of what political party was in control at Washington.

Hull pointed to the resolution adopted at Lima calling for reduction of trade barriers and the declaration on continental solidarity and defense as salient achievements. The conference, he said, "set an example for the conduct of international relations by friendly discussion rather than by force and violence."

He praised the "statesmanship, efficiency and tact" displayed by Peruvian government officials at the conference.

Secretary Hull met reporters in the social hall of the liner. When he was asked about reports alleging press censorship and attempts to influence members of the delegation, he replied shortly:

"We have fifty more important things on our mind."

secretary, Viscount Halifax as they arrived in Rome, fresh from a brief talk at the French foreign office.

Though Anglo-French determination to stand firm against Italian demands for colonial concessions from France was reemphasized at that meeting, Rome Fascists believed Mussolini would place those demands for French territory squarely before Chamberlain during his three-day visit.

Additional hazards of the Briton's appeasement drive were provided by open Italian participation in the current Insurgent offensive in Spain and reports that Germany's new "minnow submarine" fleet was intended to operate in the Mediterranean.

AMERICANS SEE WAR

In London, belief was expressed that the next few days might determine the fate of Chamberlain's policy and show whether there was any justification for predictions attributed to American diplomats that another European war would start next Spring.

French and British newspapers carried brief dispatches reporting such predictions by the United States ambassadors at London and Paris, Joseph P. Kennedy and William C. Bullitt, before the House and Senate Military Affairs Committees in Washington yesterday.

In northeastern Spain, government troops were reported to be retiring from Montblanch, only eighteen miles from Tarragona, which the Insurgents hope to take before turning north for a fifty-mile drive to Barcelona.

In southwestern Spain, government forces were reported to have launched new vigorous attacks, pushing the offensive they designed as a diversion from the Catalonian campaign.

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larly pitiful circum-

undled up their few
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southeastern Mis-
ntry.

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from old plantation days.

Strummed guitars furnished an accompaniment for singing, and some of the younger children seemed to consider the whole affair a lark.

No violence or disorder was reported. The croppers were instructed by their leaders to be courteous, and each group has a camp policeman who also is spokesman.

Henry McAdory, spokesman for a camp near New Madrid, said there is

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PLEDGE GIVEN AT 'TEA'

Chamberlain and Halifax Visit Paris Statesmen On Way to Rome

CONFERENCE IS POSSIBLE

France Willing to Meet Italy and All Other Countries On the Mediterranean

By the Associated Press.

PARIS, Jan. 10.—Prime Minister Chamberlain today pledged Great Britain to support France in her firm refusal to give in to Italian clamor for part of France's Mediterranean empire.

The two democracies strengthened their co-operation to counter the Italian-German menace to their common life-line—the ship route through the Mediterranean and the Suez canal.

British and French statesmen, however, were understood to have left a way open to prevent tension in the Mediterranean between France and Italy from reaching a deadlock—unless Italy is determined to force the issue.

Some well-informed political sources said the French government would be willing to meet Italy at a Mediterranean conference table with all other countries bordering on the great inland sea for complete settlement of all Mediterranean problems.

Chamberlain Proceeds to Rome

Chamberlain and Viscount Halifax, British foreign secretary, conferred with Premier Daladier and Foreign Minister Bonnet, then left Paris for formal appeasement conversations with Mussolini in Rome.

After the brief conference—sandwiched between the arrival of the British statesmen's train and their departure for Rome—the situation appeared to be:

France will not give an inch to Italy, despite fascist agitation, which Daladier has described as "blackmail," and will refuse to let her personal quarrel with Italy be brought before a conference where Germany or Britain would act as mediators.

In this she has Britain's absolute support and Chamberlain will tell Mussolini so.

Nazis Support Mussolini's Claims in the Mediterranean

BERLIN.—(U. P.)—The Foreign Office organ, Diplomatic Political Information, today indorsed the claims of Italy in the Mediterranean.

The Diplomatic Political Information is a subsidiary of the Foreign Office mouthpiece, Diplomatic Political Correspondence, and usually reflects the viewpoint of the Nazi Foreign Office. The declaration was considered of special interest in view of reports—denied by both Nazis and Fascists—that Fuehrer Adolf Hitler had promised full military backing to Italian Premier Benito Mussolini.

The newspaper expressed hope that British Prime Minister Neville Chamberlain's visit to Rome would "result in satisfying the expectations of Germany's friend, Italy, and paving the way for a new order which will finally serve the well-understood interests of all."

(By the Associated Press.)

Prime Minister Chamberlain carried his appeasement campaign to Italy today on a visit to Premier Mussolini, while Europe kept an eye on the recently intensified war in Spain as a possible index of the trend of events.

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If Italy is willing, however, to thresh out the entire Mediterranean situation, France will be willing to join a conference of Mediterranean nations, which would include Spain, Yugoslavia, Greece, Turkey and Egypt.

The Paris conference in effect served notice on Mussolini that the two democracies stood firm together.

Britain's position was announced earlier by Bonnet. The meeting between the premiers and their foreign ministers merely confirmed it. The outcome of the talks was so certain that the communique telling of the closeness of British and French viewpoints was inadvertently marked: "To be issued after tea."

It had been written by the British on the train before they reached Paris.

Both the French and British statesment were understood to be increasingly fearful of the attitude taken by Italy and Germany, despite their efforts to draw the Rome-Berlin axis into friendly co-operation for peace.

In announcing Britain's position, Bonnet said he had received assurances of "the complete accord of the London cabinet with the French point of view." The assurances, he said, were conveyed to him last night by Sir Eric Phipps, British ambassador to Paris.

They came after Paris had sent a note to London declaring that France would yield no land to meet fascist claims and that France was too great a power to bow to the intervention of other states.

The guardedly worded communique describing the tea-time conversations read:

"While passing through Paris on their way to Rome, the prime ministers and Lord Halifax took the opportunity of calling on M. Daladier and Bonnet at Quai D'Orsay. In the course of conversations which took place the general identity of view previously arrived at between the two governments was fully confirmed."

BRITAIN SUPPORTS FRANCE'S POSITION

From Page One

World War by Next Spring Faces Europe, Envoys Warn

Kennedy, Bullitt Tell Congress Committees U. S. Needs Air Defenses—"Build-Up" for Arms Program, G. O. P. Member Charges

By the Associated Press.

WASHINGTON, Jan. 10.—Two of the nation's first-rank ambassadors informed the house and senate military committee, a member said today, that grave developments in Europe indicated another World war may begin next spring.

The diplomats, Joseph P. Kennedy, ambassador to Great Britain, and William C. Bullitt, ambassador to France, appeared before an unusual joint session of the two committees while President Roosevelt worked at the White House preparing a message to congress on bolstering this country's defenses.

"World war may start in the spring," one member quoted Kennedy as saying. Bullitt was said to have concurred in the gloomy forecast.

A republican who attended the carefully-guarded session said it was arranged by the president and was designed as "a buildup" for the forthcoming defense message, expected to contain a vast expansion of this country's air forces.

(At a press conference today, Mr. Roosevelt said the message probably would be sent to the hill Thursday. He said Kennedy and Bullitt went before the committee because the committee asked them.)

While some committee members contended they heard nothing from either diplomat that they had not already known, one said the disclosures were "the most startling I've heard since I came to congress."

Kennedy was quoted as saying the next world conflict might start in either of the following two ways:

First — German invasion of the Ukraine.

Second—Italian seizure of Tunisia from France.

The committees were told that Germany has almost 10,000 first-line fighting planes and is turning out an average of 1,200 additional every month.

"The lesson of all this," Kennedy was quoted as saying, "is preparedness."

Kennedy was said to have submitted data on Germany's aerial strength furnished by Col. Charles A. Lindbergh, whose recent activities abroad have been the subject of controversy. One house member said Kennedy and Bullitt described German nazi officials as pleased by the fact Lindbergh's observations had been relayed to the democracies because, while they contained nothing unknown to the military observers of

See Page Two, Column Seven

From Page One

the powers, they served to confirm the reports of those observers.

It was learned that neither Kennedy nor Bullitt offered any specific suggestions for defense, except to urge that the American aviation industry be expanded, presumably to be able to put its output on a wartime basis on short notice.

Two senators opposed to drastic expansion of air strength—Cark (dem., Mo.) and Nye (rep., N. D.)—said the confidential reports from the two ambassadors had not altered their views.

"They didn't tell us a thing we didn't already know," said Clark.

"Even before this meeting, every one knew national defense was a paramount issue," added Nye. "It has assumed such proportions that unless checked we will find ourselves in the middle of a program that is going to be as burdensome as war itself."

Chamberlain Disappoints Mussolini

Duce in Sober Mood at Reception; Nazis Begin New Drive Against Jews.

(Compiled From Associated Press and United Press Cable Dispatches.)

Premier Benito Mussolini of Italy has failed to receive the satisfaction for which he hoped in his first talks with Prime Minister Neville Chamberlain of England, it was reported today in diplomatic quarters.

It was asserted that at their first talk in Rome yesterday afternoon Mussolini raised a number of points regarding the Mediterranean situation generally and the Spanish civil war in particular, and failed to receive the encouragement he wanted.

It was because of this, informants said, that a second formal conference was arranged for 5:30 p.m. today.

The Premiers concluded their formal conversations late today, and British sources said no new commitment had been made on either side.

Diplomats who attended the brilliant ball which Mussolini gave at the Palazzo Venezie for Chamberlain, Viscount Halifax, foreign secretary, and the rest of the British visitors were deeply interested in the actions of the principals.

After a State banquet which Mussolini gave, the dinner guests filed into the adjacent ballroom and mingled with the guests. Next came Mussolini, Count Galeazzo Ciano, foreign minister, and the Count's wife, who is Mussolini's daughter.

As Chamberlain chatted, Mussolini, unduly serious, and his son-in-law went to a corner and remained there for a long time, deep in conversation. Mussolini was wearing formal evening dress, incidentally, with the red sash of the Order of the Annunziata across his chest.

Finally Chamberlain joined Mussolini and Ciano. Then Mussolini's mood became lighter, and he burst occasionally into laughter, in which Chamberlain joined.

CHAMBERLAIN POINTED

Some diplomats thought that Chamberlain spoke rather pointedly in his brief response to his host's toast at the State dinner.

"I have come here in pursuit of the policy for which I stand — a policy of friendship with all and enmity with none, a policy directed to the just and peaceful solution of international difficulties by the method of negotiation," Chamberlain said.

There was some tendency to believe that this was an open invitation to Mussolini to start negotiations direct with France in pursuit of any ambitions he might have and to keep his policy "just and peaceful."

Mussolini in his own speech spoke in the most friendly manner of Chamberlain and Great Britain.

Italy, Mussolini said, "has always believed in peace based on justice, which has been and is the final goal which the policy of Fascist Italy has aimed at and is aiming to achieve."

Germans Open New Anti-Jew Campaign

German Nazis opened a sudden new campaign against Jews today, coupled with a demand that The Netherlands curb Jewish propaganda, on the allegation that shots had been fired at German diplomatic premises in Holland.

Key Nazi publicity media, taking it for granted that the shots had been fired by Jews, intimated that further reprisals against Jews would be taken at once if any German diplomat was harmed, and at the same time demanded that Holland curb activities of "Jewish criminals."

A propaganda ministry spokesman had asserted last night that on January 6 a shot was fired into the living room of the chancellor of the German consulate at Amsterdam, and that on January 9 a shot was fired into a secretary's room at the German legation at The Hague.

The spokesman blamed the shots on the "international Jew campaign of hatred and agitation." He said that no protest was envisaged to The Netherlands government, "with which we have friendly relations," but added:

"We must make it clear once for all that German diplomats are not free game for Jews."

Asked whether that meant there might be new anti-Jewish reprisals in Germany, the spokesman said:

"I cannot specify until the identity of the assailants is clarified. But further sharp reprisals would be expected if acts of Jewish violence increased."

Hitler Sees Hope For a 'Just' Peace

The results of the Munich conference justify the hope that Europe's leaders may in future succeed in giving Europe a just peace, Adolf Hitler said today in responding to the traditional New Year greetings of the foreign diplomatic corps.

Hitler spoke in reply to Mgr. Cesare Orsenigo, papal nuncio, who spoke for the diplomats as dean of the corps.

"In your address you especially mentioned the meting of representatives of the four great powers at Munich," said Hitler.

"In my recollection of last year, this event carried special significance.

"The German nation remembers with deep gratitude that 1938 brought our nation fulfillment of its inalienable right to self-determination. If this was achieved without breaking European peace for a single day, it is true that the policy of wisdom incorporated in the Munich agreement was largely responsible.

"On another occasion, commemorating the year-end, I have already had the opportunity of expressing the deep gratitude the German nation feels for the statesmen who in 1938. undertook to shape and sign a new pact as a solution of questions which could no longer be postponed."

VIEWS EXCHANGED BY BRITON, IL DUCE

From Page One

solini's attitude to let Franco fight toward victory on the present basis.

Chamberlain spent the day visiting the Pantheon and the Unknown Soldier's grave, at an audience and lunch with King Vittorio Emanuele and standing for seventy-five minutes on a reviewing platform in Mussolini forum to watch fascist gymnastics.

The program for the day ended with attendance at a performance of Verdi's opera, "Falstaff," at the Royal opera house.

"Moral Significance" Seen

L'Osservatore Romano, Vatican City newspaper, attributed a "fine moral significance" to the Chamberlain visit. The newspaper described Chamberlain's appeasement policy as proposing "eternal solidarity of peoples as a guarantee of peace, common elevation and general progress."

Chamberlain's visit tomorrow to the Vatican will demonstrate, L'Osservatore Romano said, that such a policy "cannot fail to take into account in all its far-seeing efficacy the particular mission of the holy see." Count Ciano, the Italian foreign minister, was reliably reported to have called in the Spanish insurgent ambassador, Pedro Garcia Conde, immediately after the British-Italian talks to inform him of their nature.

Franco Marches On Toward Seaboard

In Spain, Generalissimo Francisco Franco's armies marched steadily closer to the Government seaboard, threatening early conquest of all lower Catalonia and intensifying the danger to Barcelona, the Government capital.

The Insurgent command at Lerida said Franco's Moroccan troops had captured Tortosa, 100 miles southwest of Barcelona, strong point of the Government's defense system along the lower Ebro River.

Franco's Catalan offensive troops closed in on Tarragona and tottered the outer defenses of the Loyalist capital at Barcelona. The Rebel troops reported they had advanced in the Sierra Cogulla sector to within sight of the sea.

Private reports from Barcelona said the situation appeared critical and Government dispatches acknowledged that after thirty months of civil war "the fatherland is in danger."

Missionaries in China Bombed

Northern Presbyterian missionaries at Henyang, southeastern Hunan Province, reported to Shanghai headquarters today they narrowly escaped injuries during a Japanese air raid yesterday.

Their telegram said their residence compound wall and school gatehouse were partly destroyed by a bomb.

Reliable foreign sources in Shanghai said Japan was working out a plan to open the Yangtze River, China's great inland waterway, to restricted foreign shipping. They said foreign vessels probably would be limited to the few Japanese ships available.

Hitler Urges Duce To Wait a Year

Great Britain has informed Italy that in the event of trouble between Italy and France, Britain would be solidly behind France, an unimpeachable source in Rome revealed today.

The long-heralded conference between Prime Minister Neville Chamberlain and Premier Benito Mussolini has proved a failure, it was indicated, and may result in virtual abandonment of Chamberlain's "appeasement" policy and a hardening of the dividing line between the democracies and dictatorships.

In reply to Chamberlain's warning, an authoritative French source said, Mussolini assured Chamberlain that he does not envisage any hostilities against France.

STUMBLING BLOCKS

Mussolini's Mediterranean demands and his refusal to take his troops out of Spain proved the stumbling blocks which prevented the conference from achieving any concrete results.

It was disclosed that the Italians informed the British that Mussolini expects the Spanish war to collapse finally "within a few weeks," after which the Italian forces would be withdrawn.

Meanwhile Adolf Hitler was reliably reported to have stepped into Chamberlain's appeasement visit by urging Mussolini to keep the peace for one year before demanding fulfillment of Italy's "natural aspirations."

From informed German quarters came the report that such a message was delivered by the German ambassador, Hans-Georg Viktor von MacKensen, in the second of two conferences he had yesterday with the Italian foreign minister, Count Galeazzo Ciano.

CHAMBERLAIN SEES POPE

Disclosure of the German Fuehrer's part in the Rome conversations came as Chamberlain turned from his talks with Il Duce to pay his respects to Pope Pius XI, and as results of the talks were being communicated to the United States and French ambassadors to Rome.

Signicantly, Ambassadors William Phillips and Andre Francois-Poncet were told of the Chamberlain-Mussolini talks of the past two days by the British foreign secretary, Viscount Halifax, in separate interviews today.

Another notable development was the British minister's private audience with the Holy Father at the stately Vatican. Chamberlain and Pope Pius, devoted workers for peace, were together for thirty minutes.

Von MacKensen, it was disclosed, called on Ciano for the second time late yesterday after close of the formal talks of the two premiers.

'Special Rights' U. S. Jews Refu

Collapse of Rome Parley May End of Chamberlain's Appeas

(Compiled From Associated Press and United Press Cab

The German Government announced today official news agency that in a note dated Dec had declined to grant in principle the United quest for "special rights" for American citizens without regard to race or creed.

The German note was part of an interchan out of the Nazi Government's recent drastic against Jews in Germany.

DNB, the official news agency, in a communique, said the discussion was started by the American Government in a note of December 14, asking general assurance from the German Government "that American citizens in Germany would not be accorded differential treatment because of their race or religious faiths."

INDIVIDUAL CASES

DNB said that Germany, in the December 30 communication, declared her willingness to discuss individual cases and arrive at an amicable solution.

The agency said that the United States replied in a note of January 11, in which, while holding to its viewpoint, the Washington Government declared itself willing to "clarify through consultation individual cases at issue."

The United States sought assurances that Jews in Germany holding American citizenship would not have their treaty rights abridged by the anti-Semitic measures decreed by the Nazi Government in November.

The United States' request for such assurances, DNB asserted, "was based on the claim that it was a fundamental principle of American Government to make no distinction between American citizens because of race or religious faith, and that it had always denied to other States the right on their part to apply such distinctions to American citizens."

The German Government, in its note of December 30, recognized the right of the United States to establish certain political principles within its own borders, said the agency.

"It is a different question, however, whether such principles possess binding force for other governments concerning measures falling within their sovereignty," the German note continued.

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The Insurgent command at Lerida said Franco's Moroccan troops had captured Tortosa, 100 miles southwest of Barcelona, strong point of the Government's defense system along the lower Ebro River.

Franco's Catalan offensive troops osed in on Tarragona and tot-ed the outer defenses of the yalist capital at Barcelona. The bel troops reported they had vanced in the Sierra Cogulla ctor to within sight of the sea.
Private reports from Barcelona d the situation appeared critical d Government dispatches ac-owledged that after thirty onths of civil war "the father-nd is in danger."

ssionaries in ina Bombed

orthern Presbyterian mission-s at Henyang, southeastern an Province, reported to nghai headquarters today they owly escaped injuries during panese air raid yesterday.

Their telegram said their residence compound wall and school gatehouse were partly destroyed by a bomb.

Reliable foreign sources in Shanghai said Japan was working out a plan to open the Yangtze River, China's great inland waterway, to restricted foreign shipping. They said foreign vessels probably would be limited to the few Japanese ships available.

Hitler Urges Duce To Wait a Year

Great Britain has informed Italy that in the event of trouble between Italy and France, Britain would be solidly behind France, an unimpeachable source in Rome revealed today.

The long-heralded conference between Prime Minister Neville Chamberlain and Premier Benito Mussolini has proved a failure, it was indicated, and may result in virtual abandonment of Chamberlain's "appeasement" policy and a hardening of the dividing line between the democracies and dictatorships.

In reply to Chamberlain's warning, an authoritative French source said, Mussolini assured Chamberlain that he does not envisage any hostilities against France.

STUMBLING BLOCKS

Mussolini's Mediterranean demands and his refusal to take his troops out of Spain proved the stumbling blocks which prevented the conference from achieving any concrete results.

It was disclosed that the Italians informed the British that Mussolini expects the Spanish war to collapse finally "within a few weeks," after which the Italian forces would be withdrawn.

Meanwhile Adolf Hitler was reliably reported to have stepped into Chamberlain's appeasement visit by urging Mussolini to keep the peace for one year before demanding fulfillment of Italy's "natural aspirations."

From informed German quarters came the report that such a message was delivered by the German ambassador, Hans-Georg Viktor von MacKensen, in the second of two conferences he had yesterday with the Italian foreign minister, Count Galeazzo Ciano.

CHAMBERLAIN SEES POPE

Disclosure of the German Fuehrer's part in the Rome conversations came as Chamberlain turned from his talks with Il Duce to pay his respects to Pope Pius XI, and as results of the talks were being communicated to the United States and French ambassadors to Rome.

Signicantly, Ambassadors William Phillips and Andre Francois-Poncet were told of the Chamberlain-Mussolini talks of the past two days by the British foreign secretary, Viscount Halifax, in separate interviews today.

Another notable development was the British minister's private audience with the Holy Father at the stately Vatican. Chamberlain and Pope Pius, devoted workers for peace, were together for thirty minutes.

Von MacKensen, it was disclosed, called on Ciano for the second time late yesterday after close of the formal talks of the two premiers.

'Special Rights' for U. S. Jews Refused

Collapse of Rome Parley May Mean End of Chamberlain's Appeasement.

(Compiled From Associated Press and United Press Cable Dispatches.)

The German Government announced today through its official news agency that in a note dated Dcember 30 it had declined to grant in principle the United States' request for "special rights" for American citizens in Germany without regard to race or creed.

The German note was part of an interchange growing out of the Nazi Government's recent drastic measures against Jews in Germany.

DNB, the official news agency, in a communique, said the discussion was started by the American Government in a note of December 14, asking general assurance from the German Government "that American citizens in Germany would not be accorded differential treatment because of their race or religious faiths."

INDIVIDUAL CASES

DNB said that Germany, in the December 30 communication, declared her willingness to discuss individual cases and arrive at an amicable solution.

The agency said that the United States replied in a note of January 11, in which, while holding to its viewpoint, the Washington Government declared itself willing to "clarify through consultation individual cases at issue."

The United States sought assurances that Jews in Germany holding American citizenship would not have their treaty rights abridged by the anti-Semitic measures decreed by the Nazi Government in November.

The United States' request for such assurances, DNB asserted, "was based on the claim that it was a fundamental principle of American Government to make no distinction between American citizens because of race or religious faith, and that it had always denied to other States the right on their part to apply such distinctions to American citizens."

The German Government, in its note of December 30, recognized the right of the United States to establish certain political principles within its own borders, said the agency.

"It is a different question, however, whether such principles possess binding force for other governments concerning measures falling within their sovereignty," the German note continued.

Hitler's reported request was interpreted as indicating that the Fuehrer was not yet ready to make payment to Mussolini for his support at the Munich conference which partitioned Czechoslovakia and marked a milestone in European history.

Informed persons said, however, that Hitler probably would support Italy if her claims, principally against colonial holdings of France, were not met within a year, and would consider Italy justified in going to any lengths to realize them.

Until Chamberlain leaves tomorrow morning, there is of course always a chance another meeting will be arranged with Mussolini. None was in sight today. None was expected.

RESULTS OF BREAKDOWN

The results of this breakdown, for that is what it really is, are almost certain to be:

1. The further jettisoning of Chamberlain's "appeasement" policy in favor of a new orientation based on a less complaint attitude toward Mussolini and Adolf Hitler.

2. A poisoning of the atmosphere between the London-Paris and Berlin-Rome diplomatic axes, with an intensification of suspicion and uncertainty in European relations.

3. Closer mutual alignment of the two groups, democratic and totalitarian.

4. A new spurt in armaments.

5. Fortification of Chamberlain's personal position with the critics in his own country or his policies. It was forecast that this would be the last of Chamberlain's "appeasement" visits, and that the British people would be glad for it.

France Jittery Over Italian Gains in Spain

By the Associated Press.

Fears of a new European crisis troubled France today as British Prime Miinster Chamberlain started home from his "appeasement talks" in Rome apparently without having reached any important agreement with Premier Mussolini.

France, at odds with Italy over Fascist colonial demands, was anxious over the increasing danger of Italian influence on her southern border as the Spanish insurgents' drive forged steadily closer to Barcelona. Also alarming to Paris were unconfirmed reports of new Italian troop concentrations in East Africa.

British circles in Rome disclosed that Il Duce had agreed to help efforts to solve the perplexing problem of finding homes for Europe's unwelcome Jews. This was seen as the sole concrete achievement of the visit. Discussions of the French-Italian strife, Spain, Italy's interest in the Mediterranean, disarmament and economic questions evidently produced no substantial decisions.

In Spain, Generalissimo Francisco Franco's armies reported they had stormed hastily constructed Government defenses within twelve miles of Tarragona, important Catalonian seaport, and pressed relentlessly toward Tarragona and Barcelona. They reported the capture of Valls, Government air base north of Tarragona.

COUNTER-OFFENSIVE

The Government, trying to halt the insurgent steamroller, launched a counter-offensive in the Madrid sector to divert some of Franco's power from Catalonia and mustered men and material for a new defense line shielding Barcelona should Tarragona fall.

In Berlin, Nazi newspapers jubilantly welcomed Hungary in the German-Italian-Japanese anti-Communist pact, while the semiofficial mouthpiece of the German Foreign Office took a thrust at the United States.

The Deutsche Diplomatish Polititsche Korrespondenz said "The Communist menace in the United States is one of the major perils threatening the world today."

It declared that "baneful influences of the friends of Moscow in the United States, which assert themselves even in speeches by members of its Government, show in what great danger the world is standing."

A week's fighting in China produced no material change in the war picture. Japanese, after a general lull, were reported today to have launched offensives, however, both in South and North China. Chinese guerrillas apparently have become active again, particularly in North China, where they destroyed tracks and interrupted service on Japanese-held railroads.

FRANCE PLANS SHOW OF MIGHT ON TWO FRONTS

Combined Fleets to Exercise Off Northwest Africa— Submarines to Syria

SHIP WILL BE LAUNCHED

Paris Gloomy at Failure of Chamberlain to Quell Italian Claims

By the Associated Press.

PARIS, Jan. 14.—France today ordered displays of force from one end of the Mediterranean to the other, apparently against what the Daladier government considers the aggressive attitude of Italy.

The French Atlantic and Mediterranean fleets were ordered to show their strength off Africa's northwest coast in maneuvers which will coincide with the Mediterranean visit of the British home fleet on a regular spring cruise.

Three submarines received instructions to proceed to Syria, where demands for freedom from French control have caused rioting.

French army and navy commanders-in-chief were told to make tours of inspection of African colonial fortifications.

The French government received from its ambassador to Rome a report indicating that little if anything had been accomplished in "appeasement" conversations between Premier Mussolini and Prime Minister Chamberlain despite the "cordial nature" of the visit.

Claims Issue Not Raised

Mussolini, it said, did not raise claims for French territory already advanced unofficially by fascists, and when Chamberlain reminded him of the close link between France and Britain il duce did not ask the British to mediate the French-Italian quarrel.

The government prepared to make a big demonstration over the launching of the Richelieu, France's first 35,000-ton battleship, at Brest next Tuesday.

Concern also was felt here over the swift drive of the Spanish insurgents toward Barcelona, carrying Italian influence closer to France's southern frontier, and over unconfirmed reports of new Italian troop concentrations in East Africa.

The three submarines were scheduled to leave Toulon Wednesday for Beirut, chief port for Syria and Lebanon, both under French mandate.

Syrian nationalist agitation for immediate separation from French rule led to clashes last night and today in Damascus and other towns in which at least twenty-one persons were injured.

The British fleet will leave its home ports Tuesday. The next day the French Mediterranean fleet will leave Toulon and the Atlantic fleet will sail from Brest.

France's Mediterranean unit, at least, was expected to meet the British home fleet.

Spanish Rebels Gather Momentum

Spanish Nationalist headquarters reported today that Gen. Francisco Franco's troops had encircled the town of Agramunt, most important town on the highway from Artesa de Segre to Tarrega, which has been the chief Loyalist air field on the Catalan front.

At the same time, the Insurgents were threatening to isolate government troops south of Tarragona in a great battle of the civil war.

The Insurgents, having taken Montblanch, were reported gathering momentum in their downhill drive toward Tarragona in the twenty-first day of Gen. Franco's big Catalonian drive.

In southwest Spain, government reports said a counter-offensive was approaching the railroad that links Seville, the Insurgents' headquarters in the south, and Burgos, their capital.

The Loyalist Cabinet, meanwhile issued a decree for general mobilization of all males between 20 and 49 years of age, inclusive. All able-bodied men within this category were ordered to the front. It also voted to call all military classes of men now between the ages of 36 and 42.

Daring Chinese Sever Railroad

Daring Chinese soldiers, operating in a zone which had been under Japanese domination since the start of the war, have cut the important Tientsin-Peiping Railroad, severing Japanese army rail communications with Manchukuo and Japan, it was disclosed today.

All traffic on the railroad stopped at 8 o'clock last night. Reports spread rapidly that there had been a Chinese raid on the road and that a long section of rails had been torn up in the vicinity of Langfeng, an important depot midway between Tientsin and Peiping.

Today the United Press managed to get into communication with the station master at Tsaolingchwang, near Langfeng.

The station master said that shortly after dark last night 500 well armed and smartly uniformed Chinese cavalrymen appeared. Calm and deliberate, he said, they destroyed the tracks at five places, one of them a bridge.

Later, travelers heard heavy gun fire in the vicinity.

'Fascist' Charges Ring in Hungary

The Hungarian parliament met in Budapest amid angry charges that Premier Bela Imredi was moving toward a "Fascist dictatorship."

The rebellious mood of the opposition in the new parliament sessions was expected to test Imredi's strength in the midst of the delicate situation created by border incidents with Czecho-Slovakia.

The opposition accused him of planning to abolish political parties and set up a one-party Fascist system.

BERLIN BLAMES JEWS FOR FIRE UPON LEGATION

Says Long-Distance Shots in Holland Are 'Directed at Whole German People'

By the Associated Press.

BERLIN, Jan. 12 (Thursday)—Long-distance shots reportedly fired at a German consular official's private home and a legation secretary's workroom in Holland today caused an outburst of fury in German papers, which unanimously assumed the culprit must be Jewish.

Parallels were drawn from the killing of Ernst vom Rath, legation secretary in Paris, by the 17-year-old Polish Jew, Herschel Grynszpan, Nov. 7, and The Netherlands government was advised to see to it that its hospitality to Jews was not further abused.

The reports printed here said the shots were fired by a person or persons at a German consular's private home in Amsterdam Jan. 6 and at the workroom of a secretary of the German legation in The Hague Jan. 9.

Investigation Promised

(An Amsterdam dispatch last night said the German minister had called attention of The Netherlands foreign minister to the shots, and an investigation had been promised.)

A propaganda ministry spokesman said that it was possible further steps might follow the German envoy's representations to the Dutch authorities, but that nothing so far had been announced.

Chancellor Adolf Hitler's own newspaper, Voelkischer Beobachter, said that fortunately no one was hurt, but that no doubt the bullets were fired with murderous intent and that "the fact they were fired from ambush shows only too clearly that Jews are at the bottom of the affair."

"Shots fired at German diplomatic representatives are directed against the whole German people which is desirous of living in peace and amity with Holland," Hitler's chief organ added.

The Boersen Zeitung spoke of a "systematic conspiracy" being secretly conducted to create "incidents" like those of the shooting of Vom Rath in Paris and the assassination in 1936 of Wilhelm Gustloff, militant nazi leader in Switzerland, by a Yugoslav medical student.

The purpose, said the paper, was to "poison the international atmosphere."

Then it flatly asserted: "Holland has been selected by international Jewry as the new basis of operations for inflammatory and murderous schemes."

Newspaper Warns Holland

The newspaper imperiously called on The Netherlands to put a stop to all Jewish agitation, adding, "if not, it will bear the sole responsibility for anything that may happen afterwards."

The Lokal Anzeiger said menacingly, "At the time of the Vom Rath murder Germany left no doubt as to what its answer would be if another attempt were made on a German's life."

In this connection it was recalled that Das Schwarze Korps, organ of the black-uniformed elite guard, threatened Nov. 30 that in such a case "there will be no more Jews left in Germany."

Vom Rath's death resulted in a wave of anti-Jewish window smashings any synagogue burnings Nov. 10, and finally a collective fine of $400,000,000 against Germany's Jews.

NAZIS STRESS SUPPORT OF MUSSOLINI IN SPAIN

BERLIN, Jan. 11 (AP).—A source close to the German government said today that failure of Prime Minister Chamberlain and Premier Mussolini to see eye to eye on a swift conclusion of the Spanish war might lead to withdrawal of Germany and Italy from the Spanish nonintervention committee.

Germany, it was said, was critical of English and French press reports of the war, which were characterized as "sideline applause" of the Spanish government's counter-offensive against insurgents in southwestern Spain.

This press attitude was interpreted as an effort to "put in doubt once more at the eleventh hour" a victory for Franco, the informed source said. German government quarters stressed the "unanimity" of the Italian-German conception of the Spanish problem, which they said was based "not on egotistical interests, but on the principle that order must emerge victorious over anarchy."

MUSSOLINI ASKS 'JUSTICE' AS BASE FOR REAL PEACE

CHAMBERLAIN TOASTED

British Premier in Rome Replies With Plea for 'Negotiation' Accord

MILITARY FACTS TRADED

Spanish War, Fascist Clamor for French Areas Factors in Appeasement Parley

By the Associated Press.

ROME, Jan. 11.—Premier Mussolini, of Italy, and Prime Minister Chamberlain, of Britain, assured each other they desired peace—but defined their objectives differently—tonight at a brilliant state banquet arranged for the British statesman who sought to bring his European appeasement policy to the Mediterranean.

Mussolini, toasting Chamberlain at the dinner in the Palazzo Venezia, invoked "peace with justice."

Chamberlain spoke for peace "by the method of negotiation."

Mussolini, who spoke briefly, commended his guest for the "tenacity with which you have pursued your program of reconciliation and peace."

Foreign observers saw in Mussolini's definition of a satisfactory peace an expression of a view frequently stated in recent weeks by his authoritative spokesmen that without colonial concessions for Italy and Germany there can be no appeasement in Europe.

Demands "Justice" First

In other words, Italy insists she be treated with justice, first of all.

Chamberlain's declaration was seen in these same quarters as an admonition that appeasement could not be realized unless the fascist claims were put forward in diplomatic form.

So far Italy's demands for recognition of her claims in France's Tunisia, Corsica, Djibouti and a share in control of the Suez canal have been articulated almost entirely through her high pressure propaganda campaign.

In his toast, the elderly British prime minister, who received a warm welcome upon his arrival at 4:17 p.m. in company with his foreign minister, Viscount Halifax, and a party of foreign office experts, announced that Britain and Italy already had begun an exchange of military information.

This was in accordance with the terms of their Easter friendship treaty which was made effective Nov. 16.

It was noteworthy, he said, that the two governments "yesterday, here and in London, were able to proceed to an exchange of military information."

Wants Settlement in Spain

He added that the Mediterranean interests of the two countries "while of vital importance to us both, need in no way conflict," a statement that political circles interpreted as indicating his desire for an agreement on the Spanish question.

Fascist sources said the civil war there, in which Italians are helping the insurgents, was solving its own problem through insurgent victory.

But British quarters declared the prime minister desired more concrete assurances from Italy in view of Italy's participation in the present insurgent offensive.

Before leaving London for his Rome trip, Chamberlain was represented as fearful of increased Italian influence in the Mediterranean, through which passed Britain's "life line" to parts of her empire, should insurgents win in Spain as a result of Italian aid.

After the reception which followed the banquet Mussolini and his foreign minister, Count Galeazzo Ciano, escorted Chamberlain and Halifax through the museum which forms a part of il duce's palace. They chatted cordially in English.

Exactly at midnight they said goodnight to their guests at the palace door, the Englishmen going to the Villa Madama and Mussolini to his office in the palace.

BRITON, IL DUCE EXPLAIN VIEWS; NEITHER YIELDS

Formal Conversations End in a 'Draw'—Chamberlain to See Pope Pius Today

By the Associated Press.

ROME, Jan. 12.—Premier Mussolini and Prime Minister Chamberlain ended tonight their face-to-face talks in which they explained, without completely reconciling, their points of view on Europe's troubles.

Tomorrow Chamberlain will have an audience with Pope Pius XI.

Both il duce and the British leader refrained from entering into any deal whatever to settle any problems, including Italy's demands on France and the Spanish war.

Foreign observers characterized as a "draw" Chamberlain's latest appeasement trip, perhaps strengthening his position at home. A Chamberlain spokesman emphasized that nothing had been given away.

In Touch With Allies' Envoys

Mussolini likewise could show his followers that he had yielded nothing. Throughout the talks fascists were significantly in touch with diplomats representing Italy's allies, Germany and Japan.

It was understood an account of the British-Italian conversations had been given to German Ambassador Hans-Georg Viktor von Mackensen. He called this morning on Count Galeazzo Ciano, Italian foreign minister, a participant in the talks.

Mussolini himself spent a half-hour yesterday with the newly arrived Japanese ambassador, Toshio Shiratori, Chamberlain and his party came to Rome yesterday and will leave on Saturday.

A spokesman for the British delegation said an announcement that Chamberlain and Mussolini each had stated his position and understood that of the other did not mean their points of view were identical.

It merely meant, he carefully explained, that they "came to an understanding of one another."

Formal Talks Concluded

The formal conversations were concluded tonight, although Chamberlain's visit to Rome still had more than a day to go. British Foreign Secretary Viscount Halifax will go to Geneva tomorrow night for a League of Nations council session and will inform French Foreign Minister Georges Bonnet of the results of the conversations.

The French had been apprehensive lest Mussolini present demands on them through the British.

(In Paris, Edouard Herriot, addressing the chamber of deputies on the occasion of his re-election to the presidency of that body, called on France to speed up and perfect her armament in face of Italian dangers to her colonial frontiers.

("Free peoples do not bargain for their frontiers," Herriot shouted, "they defend them."

"Position Is Unchanged"

The British spokesman said, "Our position could not have changed since we started on the expedition and that position is sufficiently well known."

That was interpreted as meaning the British still were unwilling to grant Spanish Insurgent Generalissimo Franco belligerent rights, for instance, unless "substantial" number of Italian troops were withdrawn from Spain.

Italians have indicated it was Mus-

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At the launching of the Richelieu on the eve of the fleets' departures, France also will lay the keel for another 35,000-ton battleship, the Clemenceau. Both are part of a program of four 35,000-ton capital ships.

300,000 DRIVE ON BARCELONA

Huge Force Hurled by Franco Against Loyalist Capital—Decisive Victory Sought

HENDAYE, France (At the Spanish Frontier), Jan. 14 (AP).—Insurgents announced tonight they had reached the border of Barcelona province and were only thirty-seven and a half miles from the government capital in their drive for a decisive victory in the Spanish civil war.

Generalissimo Francisco Franco put an army of 300,000 men into action against government lines defending the capital, Barcelona.

Insurgents were said to have entered Barcelona province on its western boundary through capture of Codom peak in the Sierra de Queralt. This marked an advance of nearly thirteen miles since morning for the northern column of the central army corps.

The column sent back word of capture of important villages and towns in quick succession throughout the day.

Government counter-offensives in southwestern Spain and in the Brunete sector west of Madrid appeared to have failed as diversions.

Walled Town Captured

Besides the occupation of Codom peak, insurgents reported that twenty miles south their troops had captured the walled town of Valls, government air base twelve miles north of the port of Tarragona. Government reports denied this.

Insurgent reports said seven army corps taking part in the big push in northeastern Spain had speeded up operations over a 100-mile front extending from the Pyrenees mountains east of Andorra, near the French border, southward through Lerida and Tarragona provinces to the Mediterranean.

Insurgent infantry was supported by artillery fire on a World war scale and airplanes were massed in squadrons of 100.

Capture of Valls put the insurgents within forty-five miles cross-country from Barcelona itself, where the government was reported pressing both men and women into defense.

All Spanish citizens between the ages of 17 and 55, including women, were drafted into the military reserves

Nazi Propagandists to Open Radio Station in Argentina

Huge Broadcasting Plant Reply to U.S. Fight on Fascist Penetration

LIMA, Peru, Jan. 14 (AP). — Germany's "Transocean" news service, already a powerful weapon in the campaign to spread nazi economic and political influence in Latin America, will be rebuilt and streamlined to meet United States' efforts to keep "the Americas for Americans."

This was learned today from agents of the nazi government who said the first link in the new set-up would be the opening of a modern wireless transmitting station Feb. 1 in Buenos Aires.

Another station is being built for installation at Lima, but it is unlikely that it will be ready for operation before November.

Such, apparently, is Germany's answer to efforts of the American and most other delegations to last month's Pan-American conference to curtail inroads already made in this hemisphere by off-continent influences and to prevent further penetration by them.

"Transocean" is the German government's official propaganda service and has functioned effectively in Latin America for five years. It provides world-wide news coverage to newspapers at a small cost.

On the surface all this propaganda is aimed at taking over the markets of Latin America for German manufacturers, but there are indications that Germany would like to spread its political influence at the same time.

Germans know that politics and economics are so closely linked in some of these countries that to control one it is necessary to control the

NAZIS WILL EXPAND RADIO PROPAGANDA

From Page One

other, at least to a certain extent.

The United States government, through President Roosevelt, has used sharp words in expressing itself on the methods of totalitarian governments and it has said very pointedly that it would combat their activities in Latin America.

Small nations were the first to display their willingness to lend a hand to the United States.

Argentina, Uruguay, Paraguay, Peru and possibly Chile, however, have shown an inclination to be timid about fighting the European political and economic invasion.

Argentina is not willing to start a row with its best customers for its two major products—beef and wheat. The Argentines have not forgotten for a moment that North American sanitary regulations prevent the sale of Argentine beef in the United States.

Paraguay and Uruguay usually follow Argentina.

The United States must be prepared to combat an adversary that already has obtained a good foothold in several of the most important countries of Latin America.

It must be prepared to combat a foe that swaps its products for those of the nations of Latin America without the exchange of a single penny.

Brazil's Foreign Minister to Visit Washington for Trade, Defense Talks

WASHINGTON, Jan. 14 (AP).—President Roosevelt has invited Dr. Oswaldo Aranha, Brazilian foreign minister, to come to Washington next month as the government's guest to discuss "various questions of great importance" to the two countries.

This was disclosed today by state department officials who indicated the conversations would center on trade expansion and on exchange difficulties which have restricted American exports to Brazil, where Germany has centered her intense trade drive in Latin-America.

President Roosevelt's invitation was extended to President Getulio Varga[illegible] on Jan. 9 and was accepted ye[illegible] day. Aranha will arrive Feb. 9.

Germany's economic penetration in Latin America has been particularly impressive in Brazil, where Germany shoved the United States into second place in 1938 in the sale of goods, although this country still is Brazil's best customer for exports.

In connection with Aranha's forthcoming visit, it was recalled that the treasury department recently announced it was investigating possibilities of lending money in Latin America to stimulate American trade there.

National defense problems also may enter into the forthcoming conversations. Brazil attempted to lease six destroyers from the United States in 1937 for training purposes, but the move was abandoned after some objections had been raised here and in Argentina. The United States, however, has lent Brazil naval and military missions and is considering lending agricultural experts and advisers to that country.

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...ong the most in-

...ng control

...$1.43
...cargo ton,
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...said that while Ital-
...made a big increase during
...hiopian war, it had been de-
...g since and the figure for 1938
...ut 13 per cent. of the total.
...e were adequate guarantees
...Italy would have the right to use
the canal at all times, it was added,
and reduced dividends this year were
cited to prove that tolls were not ex-
cessive.

A convention signed in 1888 and re-affirmed by Britain last spring in the Italo-British accord, forbids wars in the canal zone and provides that the canal is to be open to the war and merchant vessels of all nations in time of war.

In the World war, the canal remained theoretically open to all, but British battleships were stationed near each end and no German ship used it.

During the Ethiopian war, suggestions that Italy be blocked by closing the canal to her were discarded.

In some diplomatic quarters it is felt the outcome of Italy's Suez demands will be important to the United States. For if Suez is put under international control, a demand that similar action be taken in the case of the Panama canal may be made by some of the nations using it, possibly Japan and Germany.

commentators say shares in the company, which originally sold at about $50, are now quoted at about $665 and that annual dividends are more than $20 per share.

And the present set-up is blocking progress, it is charged, for though the profits roll in, the company will not enlarge or improve the waterway.

Italy's claims for a hand in control are based largely on a provision of the canal company's 1856 charter, which stipulates that it is to be an international body, administered by a council of thirty-two chosen from "the countries most interested in the undertaking."

Pulse of England's

Italian ships, which in 1931 made up only 5 per cent. of the canal's traffic, in 1937 constituted 17.71 per cent. This compared with 46.31 per cent. for Great Britain, 8.05 per cent. for Germany, 6.51 per cent. for Holland, and 4.22 per cent. for France.

Italy in 1937 paid over $9,000,000 in tolls. Last year's figures are not yet available.

Fascists are asking a reorganization of the company's council, making the canal a "truly international waterway." This would give Italy a prominent place in its management and presumably in the ownership, enabling her to share in profits directly, or else receive greatly reduced rates.

NEWS

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CHINA'S STATUS IS NOT CHANGED IN BRITISH EYES

Stern Note to Japan Asserts Government Is Unable to Recognize New Policy

By the Associated Press.

LONDON, Jan. 15.—Great Britain in a stern note to Japan published today rejected any change in the status of China brought about by force.

The government in effect aligned itself with the policy of the United States government.

The note was handed to the Japanese government yesterday by Sir Robert L. Craigie, British ambassador to Tokyo.

Language Forceful

In the most forceful language Britain has used since the undeclared Chinese-Japanese war started, the communication declared:

"His majesty's government are at a loss to understand how (former Japanese Premier) Prince Konoye's assurance that Japan seeks no territory and respects the sovereignty of China can be reconciled with the declared intention of the Japanese government to compel the Chinese people by force of arms to accept conditions involving surrender of their political, economic and cultural life to Japanese control, indefinite maintenance in China of considerable Japanese garrisons and virtual detachment from China of territory of Inner Mongolia.

"For their part, his majesty's government desire to make it clear that they are not prepared to accept or to recognize changes of the nature indicated which are brought about by force.

"They intend to adhere to the principles of the nine-power treaty and cannot agree to unilateral modification of its terms."

"Grave Anxiety" Voiced

Britain voiced "grave anxiety" over Japan's new policy. The note declared "his majesty's government infer that it is the intention of the Japanese government to establish a tripartite combination or bloc composed of Japan, China and Manchuria in which supreme authority will be vested in Japan and subordinate roles will be allotted to China and Manchuria."

While the note asserted no unilateral revision of the nine-power treaty could be countenanced, it was added that the British government "does not contend that treaties are eternal."

The communication continued:

"If, therefore, the Japanese government have any constructive suggestions to make regarding modification of any of the multilateral agreements relating to China, his majesty's government for their part will be ready to consider them."

Britain at the same time invited Japan to give a "more precise and detailed exposition of Japanese conditions for terminating hostilities and of Japanese policy toward China."

ARANHA'S VISIT TO U. S. IS SEEN FIRST IN SERIES

Brazilian May Be Followed by Others in Effort to Block Nazis in Latin America

By the Associated Press.

WASHINGTON, Jan. 15.—The forthcoming visit of Dr. Oswaldo Aranha, Brazilian foreign minister, to Washington, may be the first of a series of visits by other foreign statesmen of great significance in the United States' fight against totalitarian economic penetration of Latin America.

Aranha's visit, at President Roosevelt's invitation, is strictly political. Although the state department said today no other such visits are yet arranged, it was indicated that foreign ministers of several other nations, particularly those of Latin America, might be invited here to discuss mutual problems.

National defense and trade are expected to appear high on the agenda for the Aranha conversations which will begin here Feb. 9.

Trade With Brazil Hardest Hit

Germany's powerful trade drive in Latin America has hit the United States hardest in Brazil, which is generally regarded as one of this country's best friends in the entire American continent.

Germany has accomplished trade supremacy there by its bilateral bartering tactics, which are in open clash with Secretary of State Hull's policy of free trade among all nations.

There is every indication that Germany intends to press its Latin-American economic drive still harder. It already has virtually completed a great new wireless station in Buenos Aires for its "transocean" news service.

"Transocean," the German government's official propaganda service, furnishes world news to newspapers and has been the spearhead of the reich's economic push into Latin-American trade. The new station is to begin service Feb. 1.

Legations Raised to Embassies

On the other hand, the United States has made several significant moves to tighten its bonds and cooperation with Latin-American governments.

These include raising the American legations in Colombia and Venezuela to embassies; the great forthcoming fleet maneuvers in the Caribbean, to be followed by numerous courtesy calls to Latin-American ports; the accomplishments at the Lima conference; and the dispatch of further military and naval missions to South American countries desiring American assistance in training their defense forces.

Besides the visits there may be in the next few months by Latin-American statesmen, officials will have opportunity for intimate talks about mutual problems in this hemisphere with more royal visitors from Europe than the capital ever saw before in a single year.

King George VI and Queen Elizabeth, of Great Britain, will spend four days in the United States in June; Crown Prince Olaf and Princess Martha, of Norway, and Crown Prince Frederick and Princess Ingrid, of Denmark, also will make extended tours of this country.

AIDE OF HITLER TO WOO POLAND

Ribbentrop to Visit Warsaw in Effort to Win Help for Nazi Expansion Plans

BERLIN, Jan. 15 (AP).—Foreign Minister Joachim von Ribbentrop will continue Germany's effort to win Polish help for nazi expansionist aspirations on a visit to Warsaw, it was disclosed today.

Ribbentrop will exchange toasts with Col. Joseph Beck, the Polish foreign minister, on Jan. 26, the fifth anniversary of the signing of the German-Polish nonaggression treaty, and will participate in a special friendship demonstration.

During a three-and-one-quarter-hour meeting with Beck at Berchtesgaden Jan. 5, Reichsfuehrer Hitler was understood to have canvassed with the Polish foreign minister what part Poland might play in settling European issues which the nazis say eventually must be solved.

These include the return to Germany of Memel and the Free City of Danzig as well as a change in the status of the Polish corridor, Pomorze, which separates East Prussia from the rest of Germany, and the greater question of Germany's drive toward the Ukraine.

Poland's Desire Halts Plan

(Authoritative sources at Geneva said that Poland's desire for the League of Nations to retain its nominal control over nazi-dominated Danzig had squelched a plan for the league high commissioners to resign.

(Danzig, taken from Germany after the World war, gave Poland an outlet to the Baltic sea at the head of the Polish corridor. The free city, 754 square miles in area and with a population of about 412,000, is under the protection of the League of Nations. It has become a virtual annex of nazi Germany except for formal German sovereignty.

(The Memel territory, also detached from Germany by the Treaty of Versailles, later was handed over to Lithuania. The territory, including the important port of Memel, covers 1,099 square miles and has a population of 150,106. Nazis won an overwhelming majority in Memel elections last month with the slogan: "Back to the reich.")

During the anniversary festivities Beck will be in a position to give Ribbentrop his government's reactions to whatever inducements Hitler held out for Polish collaboration.

Poland some time ago put in her bid for colonies in the belief that Britain and France were about to hand over some of their empires to Germany.

FRANCO ADVANCE SWIFT

Leftists' Orderly Retreat Indicates New Stand in Mountains Planned

70,000 FLEE FROM CITY

1,930 Square Miles Lost by Government Since Drive Was Started Dec. 23

By the Associated Press.

HENDAYE, France (At the Spanish Frontier), Jan. 15.—Spanish insurgents reported today they had captured Tarragona in swift new strides that brought their armies steadily closer to Barcelona along the entire Catalonian front.

The government at first denied the fall of Tarragona, but later issued an official communique that "Spanish forces, obeying orders given by the high command, withdrew to positions already chosen to the east of the Valls-Tarragona line."

In southern Catalonia, the insurgent line was like a vast fishhook, with its barb pointed eastward at the defenses of the government capital against which Gen. Franco's twenty-four-day-old push is aimed.

The point of the hook was buried in the outposts of new government defense lines, where the mountains bordering Barcelona province meet the Mediterranean about fifty-three miles southwest of the capital.

The hook itself curved back about ten miles to Tarragona—second most important city in Catalonia—and then straightened north to the little town of Bellprat, where Franco's forces already have crossed the frontier into Barcelona province.

Observers Amazed at Speed

Military observers were amazed at the speed of the government withdrawal throughout lower Catalonia virtually without firing a shot except for rear-guard actions to cover the retreat.

They suggested, however, that the government might be retiring to a surprise defense line just inside the border of Barcelona province.

These sources saw little immediate danger to the government capital itself. They said the orderly withdrawal of the government forces indicated that it might be part of a long-laid plan to make the most determined stand along the natural line of mountain defenses near the provincial border.

Government reports for some weeks have hinted of a plan to retire to the north if insurgent pressure became too heavy, always leaving open a line of communication with France in hopes that the French frontier might be reopened to arms and foreign fighters.

The population of Seo de Urgel, just south of the French frontier, was ordered by Barcelona to leave the town within twenty-four hours. The government was reported planning its last big defense of Seo de Urgel, key to the Puigcerda valley and the railroad line which links Barcelona with France.

IL DUCE TO ACT IF 'REDS' AIDED

Chamberlain Was Told That Spanish War 'Profoundly Divides' Italy, France

ROME, Jan. 15 (AP).—Italy announced officially tonight that Premier Mussolini told Britain's Prime Minister Chamberlain in their recent Rome conversations that the Spanish nonintervention policy would be considered a failure if "governments friendly to (Premier Juan) Negrin" should intervene on a grand scale.

Informazione Diplomatica, a bulletin service of the Italian foreign office, said il duce told the British prime minister that in event of such intervention on behalf of the Spanish government Italy "would reassume full liberty of action."

The official statement also said Mussolini declared Italian troops would not be withdrawn from Spain until either the war had been decided in Gen. Franco's favor or belligerent rights had been accorded the Spanish insurgents.

Not Until War Ends

Not until the Spanish war is finished, il duce was declared to have told Chamberlain, would it be possible to review the situation prevailing between Italy and France.

The text of the first comprehensive statement on the Chamberlain-Mussolini talks last Wednesday and Thursday said:

"In responsible Roman circles the following credible information concerning the results of the conversations which took place between Chamberlain and il duce at the Palazzo Venezia in the presence of (British Foreign Minister Viscount) Halifax and (Italian Foreign Minister Count) Ciano have been received.

"In a necessary review of the situation several questions of a general character naturally were approached, and while the British prime minister emphasized the close relations which exist between London and Paris, on the Italian side it was declared in the most formal manner that the Rome-Berlin axis remains the basis of Italian policy.

Rights for Franco Demanded

"As for Spain, il duce repeated that the last Italian legionnaires will be brought home when the same measures shall be taken by the reds (the Spanish government) and when belligerent rights shall be granted to Franco, as up until this time have been plainly and absurdly denied him.

"Il duce also added that if in the near future there should be intervention on a large scale on the part of governments friendly to Negrin, Italy would reassume full liberty of action, it being considered that thenceforward the policy of nonintervention was terminated and had failed.

"As for Italo-French relations, il duce declared the Spanish question has divided and still divides profoundly the two countries and that only when the Spanish war was finished will it be possible to review the situation.

"It was observed in Roman circles that with this statement all stupid fantasies of the international press, according to which Italy was supposed to have desired and even implored British mediation, have collapsed."

CHINESE AIRCRAFT ATTACK BOMBERS

Japanese Planes Challenged Over Chungking, Where 40 Casualties Are Counted

SHANGHAI, Jan. 15 (AP).—Japanese reported numerous air raids on inland cities today, the severest of which was directed against Chungking, Chinese provisional capital.

At Chungking, Japanese said their bombing planes roared through intense antiaircraft fire and fought off Chinese pursuit planes to drop their "heaviest" missiles on military objectives.

Meeting their first aerial opposition in seven raids over Chungking, Japanese reported their raiders were challenged by twelve Chinese planes of Russian manufacture.

The invaders said they brought down five of the Chinese craft and that all their planes returned to their bases safely, although some were badly riddled with machine-gun bullets and bursting shells.

(Chungking reports said one of twelve planes raiding Chungking was brought down, but made no mention of any Chinese air losses.)

Chinese reports from Chungking said forty casualties were counted on the north bank of the Kialin river, which joins the Yangtze at Chungking. A number of Chinese war and industrial plants are located in the area of the bombardment.

Prevent Victory by Franco, Daladier's Party Demands

Italian Occupation of Spain Proper and Her Islands, Placing French Empire in 'Gravest Peril,' Feared if Rebels Allowed to Win

By the Associated Press.

PARIS, Jan. 15.—The executive committee of Premier Edouard Daladier's radical-socialist party demanded today that the government consider necessary steps to prevent an Italian-aided insurgent victory in Spain from menacing France's Mediterranean empire.

A resolution adopted by the committee accused Italy of violating its promises made to the London nonintervention committee. It added that continued Italian occupation of Spain proper, the Spanish Balearic islands and Spanish Morocco created "the gravest peril for our Mediterranean communications."

The sudden preoccupation of Daladier's own party with the whirlwind series of insurgent victories in Catalonia, just south of the French border, injected a new note into the French-Italian territorial quarrel.

Daladier conferred in secret with members of the party governing committee on the danger to France of an insurgent victory and in a speech to an open meeting of the committee warned the next several weeks would be a time of uneasiness for the republic and its empire.

In an obvious reference to Italian clamor for a share of France's territorial holdings, the premier declared that all internal quarrels must be ended if France is to survive.

"My government will concentrate all energy to prevent a conflict which would mark the end of western civilization," he thundered.

"But it will never allow France's position and interests to be questioned either by force or by ruse."

Senator Aime Berthod, former cabinet member, declared before the open committee meeting that if the French government permitted Italy to remain in the Balearic islands "installed on communications between France and north Africa it is the end of the French empire."

Referring to Italian denunciation of the 1935 French-Italian treaty, Berthod told the cheering radical-socialists that from the way Italy had respected her other promises France could feel some anxiety on the way she would keep her promise to get out of Spain.

(The Italian government notified France last month that it considered "no longer valid" the 1935 accord which gave Italy 44,000 square miles of desert south of Libya, about thirty square miles between Eritrea and French Somaliland and sovereignty over the island of Dumeira. It also

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HALT INSURGENTS, DALADIER IS URGED

From Page One

assured Italians in French-governed Tunisia the right of Italian citizenship until 1965 and made other concessions.)

"We demand the government tell us what measures it will decide to take in the next few days in accord with the British government," Berthod shouted, turning to Daladier.

The premier held long conversations yesterday with former Socialist Premier Leon Blum, which were said to have been devoted largely to the possibility of French aid for Spain.

Some sources said the militant socialist leader offered to end his party's quarrel with Daladier if the premier would open the frontier to the Spanish government.

Insurgent Gen. Franco's victories in Spain, coupled with the Italian threat to France's empire, have caused increasing concern to Frenchmen who feared a Franco Spain would be but another base from which Italy could menace their Mediterranean lines of communication with north Africa.

Communists insisted meanwhile that help must be sent to government Spain "before it is too late."

Spanish Rebels Press To End Bloody War

Loyalists Have Backs To Wall; Lack Of Arms Cripples Defense.

HENDAYE, France.—(A. P.)—Generalissimo Francisco Franco took personal command of the insurgent drive on Barcelona today as Europe's big powers closely watched the offensive which may end the two and a half year old civil war.

The generalissimo led the main column moving eastward along the Lerida-Barcelona highway toward Igualada, which was believed to be the northern end of the Government's new lines.

Pushing forward from Cervera, which was captured yesterday, Franco's column was reported to have advanced about ten miles, placing it about forty miles by air from Barcelona and abreast of another insurgent column which moved southeastward from Cervera to the village of Bellprat.

Almost as close to the capital were the insurgent armies advancing up the Mediterranean coast from Tarragona. While Moroccan and Navarrese troops cleaned up the area around Tarragona and Reus, which they had captured over the week-end, one contingent moved northward to take the village of Cattllar, six miles north of Tarragona and about forty-four miles from Barcelona.

AHEAD OF SCHEDULE

Travelers reaching the border from Barcelona declared the insurgent advance, which began December 23. was a full week ahead of the very best the Government general staff thought Franco's men could do. Some of them said the city might fall within three weeks.

Roads of central and southern Catalonia were jammed with refugees from the zone in which the Government's new lines of "secret defenses" has been built in the mountains along the border of Barcelona Province.

Government military authorities made no effort to hide their gloom over the prospective battle to save Barcelona, but dispatches from the capital said the residents were going about their business calmly, despite the discouraging reports from the front.

Military reports cited lack of war materials among the Government troops in comparison with what they termed the "enormous accumulation of men and material on the insurgent side."

They declared Franco had more than 800 war planes in the Catalonian campaign, "while the Government has almost none with which to put up a fight." The ratio between insurgent and Government artillery was said in Government military circles to be about six to one.

REBEL FORCES ONLY 33 MILES FROM CAPITAL

Three Armies Are Closing in on Barcelona—Franco Asks Foe to Lay Down Arms

By the Associated Press.

HENDAYE, France, Jan. 16.—Three Spanish insurgent armies closed in on Barcelona tonight after a day of continued advances.

Despite a surface calm, mounting uneasiness was reported in the menaced capital. The nearest insurgent force was barely more than thirty-three miles away.

Insurgent Generalissimo Francisco Franco appealed by radio to government Spain to lay down its arms, asserting an insurgent victory was inevitable. His message said the insurgents were marching on Barcelona "not to destroy her, but to save her."

Travelers reaching the border from Barcelona declared the insurgent advance, which began Dec. 23, was a full week ahead of the very best the government general staff thought Generalissimo Franco's men could do. Some said the capital might fall within three weeks.

Refugees Jam Roads

Roads of central and southern Catalonia were jammed with refugees from the zone in which the government's new line of "secret defenses" were built in the mountains along the borders of Barcelona province.

The refugees hampered troop movements and created a serious food shortage in the capital.

Against the government's new defense line, to which militiamen fell back after abandoning the important port of Tarragona yesterday, the insurgents pitted three full army corps, totaling almost 150,000 men, on a front of less than fifty miles.

The largest town to fall during the day was Cervera, community of 4,000 inhabitants, sixty-five miles northwest of Barcelona, on the trunk highway to Lerida.

First Time Loyalists Outnumbered

Today's action marked the first time during the thirty-month-old civil war that the government has been outnumbered in manpower as well as mechanical equipment.

(At Lerida the insurgents estimated their tremendous concentration of artillery was hurling nearly 30,000 shells daily against enemy positions along the entire front. This would be an artillery concentration on a scale comparable to World war engagements.

(Insurgent planes also were laying down a propaganda barrage, dropping millions of leaflets over government territory declaring an insurgent victory was certain.)

The southernmost insurgent army was deployed along the main coastal highway from Tarragona northeast to Barcelona and in the foothills of mountains rising from a narrow plain along the Mediterranean.

Armies Converge on Igualada

The other two armies were converging on Igualada, believed to be the northern end of the new government lines.

Igualada, like Cervera, lies on the Lerida-Barcelona highway. It is twenty-two miles east of Cervera and forty-three miles northeast of the capital.

One of the two armies converging on Igualada already was within the borders of Barcelona province and only twelve miles southwest of the town. The other was advancing eastward from Cervera along the trunk highway.

Border dispatches said Gen. Franco's general field headquarters at Lerida was convinced that government resistance had been completely disorganized by the rapidity of the insurgent advance. They believed the only thing which would prevent a quick conquest of Barcelona would be bad weather.

EXPLOSIONS IN ENGLAND LAID TO IRISH PATRIOTS

LONDON, Jan. 16 (*AP*).—Guards watched nearly every power station and reservoir in United Kingdom tonight following ten explosions in England and Northern Ireland, which authorities believed resulted from enmity between Irish and British patriots.

The tenth explosion occurred tonight at the huge water tower at Birmingham's power station. Another damaged an electricity pylon near Alnwick.

Earlier, bombs shook the electric plant at Southwark and exploded on the cable bridge over the Grand Junction canal at Harlesden in London.

Three blasts rocked Manchester, another occurred in Liverpool and two bombs exploded in Belfast.

One workman was killed and two were injured at Manchester fighting flames caused by the explosives wrecking gas mains, but most of the blasts did comparatively little damage.

Scotland Yard officials investigating one of the blasts here and four at Manchester voiced the suspicion that the illegal Irish republican army organization was responsible.

At Belfast, where two explosions occurred, the northern Ireland ministry of home affairs charged the organization "planned for the overthrow by force of the established government."

Many of those arrested are being held in Belfast prison. The two blasts today were near the prison.

Japan Warns U. S. Not to Fortify Guam

Royalist Troop Ships Attempt To Run Spanish Rebel Blockade.

(Compiled from Associated Press and United Press Cable Dispatches.)

Japanese navy sources today bitterly denounced American proposals to fortify the island of Guam as "putting a gun against a neighbor's door."

A fear also was expressed that the United States was preparing for a "long-distance attack." Guam is 1,500 miles from Japan.

A naval ministry spokesman in Tokyo said establishment of airplane and submarine bases at Guam, Midway and Wake Islands would surround mandate islands which treaties prevent Japan from fortifying.

The ministry also charged that the United States, Great Britain, France and Soviet Russia are prolonging the war in China by aiding Generalissimo Chiang Kai-Shek.

PROMOTE BIGGER NAVY

The Japanese navy issued a vigorously worded pamphlet intended to promote popular support of its navy-building demands to be made when the budget is presented to the Diet next month.

The statement declared that the Japanese navy's command of the Western Pacific has prevented the four powers from taking forceful or military action in China, and confined their efforts to shipping of war supplies.

Hindrance to Japan's aim of building a "new order" in the Orient will come from the seas, the statement said. It pointed to a United States building program togram of 2,000,000 tons and to the gra mof 2,000,000 tons and to the fact that the Soviet is the world's strongest submarine power, having 110 undersea ships, or which 69 are now in Far Eastern waters.

Meanwhile, in Washington, Administration committe chairmen introduced in the House and Senate a bill authorizing construction of twelve new naval air bases, including one at Guam. It was indicated the action regarding Guam was designed as a possible bargaining point with Japan concerning matters in the Western Pacific.

The measure authorizes $65,000,000 in construction but does not appropriate funds to carry out the program. The authorization is general and no specific fund is allotted for the proposed Guam base.

Indication of possible use of the Guam project as a bargaining point came from the White House, where President Roosevelt issued an explicit denial that he had approved a $5,000,000 construction program for Guam.

IDENTICAL BILLS

Identical bills providing the $65,000,000 base program were introduced in the House by Chairman Carl Vinson (Dem., Ga.) of the House Naval Affairs Committee and in the Senate by Chairman David Walsh (Dem., Mass.) of the Senate Naval Affairs Committee.

Meanwhile the Spanish Government sought to run troops ships through the Insurgent blockade in the Mediterranean to reinforce the hard-pressed defenders of Barcelona as Britain and France — Government Spain's main hopes for outside aid—remained apparently unswervable from their policies of hands off.

A Government force of 12,000 men, the first contingent of 60,000 fighters expected to be shifted from Madrid to Catalonia, was reported already at sea between Valencia and Barcelona. Insurgent warships were ordered to intercept them.

FRANCO ADVANCES

On the southern end of the Catalonia front Insurgent Generalissimo Francisco Franco's commanders reported an advance of four miles under naval and aerial bombardment. This would place the Insurgent vanguard on the coast within forty miles of Barcelona.

On the center of the Franco line, Government militiamen were said suddenly to have turned and taken a stand to defend Igualada, said to be a key point in "mystery" fortifications defending Barcelona. Igualada is twenty-eight miles west of the Government capital.

In the far north — the hinge from which Franco's armies are swinging a great door shut on Barcelona — Insurgents reported the capture of Pons, on the highway connecting Barcelona with the French frontier.

LOYALISTS ON THEIR OWN

The Government was on its own. Its foreign minister, Julio Alvarez Del Vayo, had left Geneva without convincing British or French delegates to the League of Nations Council that their interests demanded victory for Government Spain. In Paris, the French Government, bowing to British pressure, determined to keep its frontier with Spain closer to war supplies.

FRANCE BACKS BRITAIN, U.S. IN NOTE TO JAPAN

TOKYO, Jan. 19 (AP).—France swung into line with the United States and Britain by delivering a note to Japan tonight declaring that she could not "accept or recognize any modification of the order of things established in China by existing treaties."

The French note was similar to, although in more general terms than United States and British notes of Dec. 31 and Jan. 14, respectively, opposing Japan's "new order" in East Asia.

Informed persons expressed doubt that the parallel actions of the three democracies would cause Japan to recede from the course she already has outlined for development of her China conquests.

TROOP VESSELS GRIMLY SOUGHT BY 3 WARSHIPS

Fate of Loyalists Trying to Run Blockade in Doubt as Rebel Drive Continues

By the Associated Press.

HENDAYE, France (At the Spanish Frontier), Jan. 19.—Spanish insurgent warships shelled Catalonian coastal defenses today and pressed a grim search for transports reported carrying 12,000 fresh soldiers to the defense of Barcelona.

Three gunboats of the insurgent blockade steamed back and forth across the route which would have to be followed by troop ships in any transfer of manpower from the southern part of government Spain to the government's seaport capital.

The gunboats shelled shore positions northeast of insurgent-held Tarragona.

The fate of the transports said to be skirting Gen. Franco's widening eastern Mediterranean salient with the vanguard of 60,000 reinforcements from the Madrid front remained in doubt.

Imperiled by Bombers, Also

Barcelona authorities kept silent on the reported mass movement which would be imperiled also by insurgent bombers from Franco's Balearic base, Mallorca.

The reinforcement, if executed, would give Barcelona's defenders a great numerical superiority over the estimated 300,000 insurgents striving to close in on the metropolis from the west and southwest.

Before a recent drastic mobilization which brought to the colors all Catalonians from 18 to 55 years old, Catalonian defense forces were estimated at 300,000, as against a similar number in the ranks of Franco's northeastern armies.

Insurgent headquarters announced today capture of Montfalco which is on the natural pathway leading from Cervera eastward to the capital, on the center of the line Franco started rolling across Catalonia Dec. 23.

Battle lines were being drawn in that sector. Catalonia's retreating militiamen were reported in government dispatches to be taking a stand before Igualada, twenty-eight air miles

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3 REBEL WARSHIPS SEEK TRANSPORTS

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west of Barcelona on the Cervera-Barcelona highway.

At its southern end Franco's front was said to have been pushed to just within forty miles southwest of Barcelona.

Troops Named Near Border

Border reports indicated the insurgent command was massing troops in the northern sector, near the French frontier, for a thrust up the Segre river valley to serve Barcelona's border communications.

Military observers noted a slight slowing up in the campaigns of Franco's seven army corps in Catalonia.

(Dispatches from insurgent-held Lerida said Franco's drive in the center might upset a precedent in Spanish military history.

(Troops now battling for possession of Igualada would still have to negotiate famed Bruch pass in the mountains east of Igualada if they took the city.

(It was as this pass that Napoleon failed to smash the resistance of Spanish armies in 1808. Conquest of Igualada and the pass would put the insurgents in position for a direct drive to the Llobregat river and mountain ranges just west of Barcelona.)

Planes Menace Children

BARCELONA, Jan. 19 (AP). — Repeated insurgent air attacks today menaced two trucks of the Society of Friends (Quakers) bringing eighty children from a colony near Menresa which lies in the path of advancing insurgent armies.

The children were forced to run for cover in ditches as were J. S. Wigsham, English chairman of the Friends' Service council; Robert Wheeler, an English driver, and a Spanish driver. The trucks were damaged slightly in the attack.

A wounded woman, a boy with a shrapnel wound in his back and other injured persons were taken into Manresa.

About a mile outside Manresa the children began to shriek that planes were above them again. They ran for cover while four planes circled over them and dived upon the town, machine-gunning the streets.

The planes made four complete circuits of the town while the relief officials watched. None in the trucks was injured and the children were taken to Barcelona preparatory to removal to a new colony.

Army Plans To Double Force In Canal Zone

Senate Committee Argues on WPA; Vote on Hopkins Expected Today.

WASHINGTON. — (A. P.)—The Army proposes to double its present force of about 13,000 men in the "adequate peace garrison" the "adequate peace egarrison" which President Roosevelt urged in his $552,000,000 defense recommendations.

This authoritative disclosure was made today after Army officers privately outlined to the House Military Committee the War Department's plans to reinforce the vital waterway.

The present garrison is insufficient to man existing antiaircraft and coast defense guns, the committee was told by Brig.-Gens. George C. Marshall, deputy chief of staff, and George V. Strong, head of the general staff's war plans division.

26,000 MEN NEEDED

Officials contended that new weapons of this kind, more war planes, a highway that would extend the scope of the canal's defense far into the adjoining republic of Panama—all provided for in the Administration's arms program —call for a force of at least 26,000 officers and men.

Mr. Roosevelt asked a special $27,000,000 appropriation for a reinforced garrison, with $5,000,000 of the sum to be made available immediately to start work on new quarters.

In addition, he proposed that a portion of an $8,000,000 item for bulwarking seacoast defenses be allotted to Panama, along with funds for the strategic highway.

Congressmen were told that the United States' share of the road would be about $1,500,000. Panama will pay about $3,000,000, as the road is to be a link in the inter-American highway extending through Mexico and Central America.

Further, a substantial portion of the $110,000,000 worth of new antiaircraft guns, tanks and other weapons which the Chief Executive asked would be assigned to protecting the vulnerable locks and dams of the fifty-mile waterway between the Atlantic and Pacific.

Representative Thomas (Rep., N. J.) said there should be a "physical inspection" of every ship that passes through the canal in order to guard against sabotage. At present, he said, only ships' papers are examined.

LEGISLATION ON WAY

Meanwhile legislation to authorize a large part of the defense program has been introduced. Chairmen Vinson (Dem., Ga.) and Walsh (Dem., Mass.) of the House and Senate Naval Committees offered bills to give the Navy a dozen new or expanded aviation bases in Alaska, the Pacific, Caribbean and the continental United States, including facilities for the demilitarized island of Guam.

The proposed air bases would cost $65,000,000. In addition, Vinson submitted another bill to authorize expansions and additions to forty-six naval store establishments at a cost of $37,056,000.

Vinson and Chairman May (Dem., Ky.) of the Military Committee are considering creation of joint subcommittees to outline a new policy for purchasing Army and Navy airplanes.

NEED FOR SPEED

Both the services want the competitive bidding requirements relaxed. They contend the need for speed in manufacture and delivery makes mandatory changes in existing policies.

May said also he would introduce a bill to authorize the Army to spend $25,000,000 annually for the next four years acquiring supplies of essential materials such as tin, rubber and manganese. Senator Thomas (Dem., Utah) has offered a similar measure.

Meanwhile a Senate subcommittee sought agreement on the WPA appropriation bill, with indications that a compromise might be evolved.

Some Senators of both parties spoke favorably of a plan to appropriate between $350,000,000 and $400,000,000 to last until April 7, when the problem could be surveyed again. Such action, they said, would prevent cutting relief rolls during cold weather.

It was learned that the White House had replied to letters about the bill by saying that Congress alone can fix the appropriation.

WPA CONTROVERSY

The WPA was the subject of another controversy in the Senate, where debate on the confirmation of Harry Hopkins as Secretary of Commerce was expected to end this afternoon. Opponents, conceding defeat, assailed some of Hopkins' actions as relief administrator.

It appeared that Congress would act more slowly on two more Presidential requests it received yesterday. One was to extend authority to alter the gold content of the dollar and permit operation of the Treasury's stabilization fund. The other sought imposition of Federal income taxes on salaries of State, county and municipal employes and on revenue from all kinds of Government bonds.

A number of members of both houses indicated they wanted to study the requests before committing themselves.

FRANCO SEIZES 2 TOWNS CLOSE TO BARCELONA

Igualada and Vendrell, Key Points in Defense System of Capital, Captured

2 OTHERS HARD PRESSED

Barcelona Hears Guns' Roar —Women Take Up Men's Jobs Behind Lines

HENDAYE, France (At the Spanish Frontier), Jan. 20.—Spanish insurgents announced in quick succession tonight the capture of Igualada and Vendrell, two towns of high military importance to the Barcelona defense lines in eastern Spain.

Igualada was one of four main keys to the government defense, and Vendrell a government outpost and control point for coastal highway traffic leading to Villaneuva and Villa Franca.

The fall of Vendrell, thirty-two miles southwest of Barcelona near the Mediterranean coast, was reported shortly after the insurgents announced another force had taken Igualada, little industrial center of 10,000.

Communications Line Cut

Igualada is twenty-eight miles northwest of Barcelona, and the first of four main keys to the government's "mystery line" of defenses. Its capture cuts the government's main north and south line of communication, which ran just behind the full length of government fortifications.

Other main defense points are Manresa, northwest of the capital; Villaneuva, on the Mediterranean coast, and Villa Franca, between Villaneuva and Igualada.

Insurgent military headquarters said the fall of Igualada placed government forces at Villa Franca in desperate positions. Villa Franca is a main communication center for the southern sector of the government defense line. During the late afternoon Villa Franca was said to have been cut by insurgent artillery.

Rebels Claim Another Town

(Insurgent reports received at Lerida, behind the insurgent line, said another force of Generalissimo Francisco Franco's troops captured the village of La Llacuna, fifteen miles due south of Igualada, and pushed to within twenty-six miles of Barcelona.

A government communique issued in Barcelona made no mention of the reported capture of Igualada, but travelers arriving from there said a fierce battle was in progress at the textile and communications center late in the day.

Barcelona reports said twenty-one persons were killed and twenty-two wounded during insurgent air raids on ten Catalan towns behind the lines. The capital itself was not attacked.

The roar of Spanish insurgent heavy artillery only thirty miles away could be heard in Barcelona today.

Before the whirlwind insurgent advance launched Dec. 23 government troops fell back in good order to the main line of prepared defenses. Now they are entrenched in that line and the insurgents have altered their tactics.

As the government pours every available man into the defense of Barcelona, women are volunteering at Barcelona recruiting stations at the rate of 600 a day to take over men's jobs behind the lines.

Occidental Opposition to Policy In China Issue Before Tokyo Diet

By the Associated Press.

TOKYO, Jan. 22.—The outspoken opposition of the United States, Great Britain and France to Japan's "new order" in the east Asia persisted today as the overshadowing issue before the seventy-fourth diet (parliament) session.

Masazumi Ando, chief secretary of Seuiyukai, one of the principal political parties, openly criticized Japan's diplomacy and stressed the importance of recognition by the three occidental powers of the "new order."

(Japan's announced policy is to create a new east Asia based upon political, economic and cultural collaboration among Japan, Manchukuo and China. In strong notes, the United States on Dec. 31, Britain on Jan. 14 and France last Thursday opposed the program.)

"That the government has failed to convince the three powers regarding its real intentions," Ando declared, "is perhaps due to the lack of sincerity in Japan's diplomacy.

"To have these foreign powers recognize the fact that creation of a new order in east Asia is vitally necessary to Japan's very existence should be the first stage in its proposed creation.

"Explanations and statements are not sufficient."

Foreign Minister Hachiro Arita asserted that the three occidental countries still misunderstood Japan's program and that they believed Japan was planning their exclusion commercially from China.

"Concrete facts would be the best way" to clear up the situation, he said, "but in view of the fact that hostilities still are continuing in China, this is going to take time."

The majority of the questioners in the lower house of the diet pleaded for specific answers regarding the government's plan to meet the issue with the foreign powers.

Baron Kiichiro Hiranuxf, the premier, in response to a question, reiterated his warning that "the government will take appropriate means against those who impede Japan's China policy."

This statement followed his declaration yesterday that "as for those who fail to understand to the end and hereafter persist in opposition to Japan, we have no other alternative than to exterminate them."

LEFTISTS ORDER ALL MEN, WOMEN TO DIG TRENCHES

LAST STAND IS PLANNED

Business in Barcelona to Halt as Citizens Work for City's Defense

FRANCO'S RING NARROWS

30 Killed in 14 Air Raids on Capital—Igualada, Last Hilltop Outpost, Falls

By the Associated Press.

HENDAYE, France (At the Spanish Frontier), Jan. 22.—The entire population of Barcelona was requisitioned today for defense of the Spanish government capital as 300,000 insurgents drew ever-narrowing circles almost within gunshot of the city.

The government's vaunted "mystery" line of defenses in the mountains bordering Barcelona's province apparently had collapsed. Three of its key positions were in insurgent hands.

Tomorrow morning all commerce and industry in Barcelona, except services vital to the defense, will cease.

The government, meeting in almost continuous session to map defenses of Barcelona itself, ordered every able-bodied male up to 55 years old and women between the ages of 14 and 40 to dig trenches.

The nearest insurgent columns were moving up the Mediterranean coast behind a protective fan of tanks and armored cars only eighteen miles airline from Barcelona's gates.

Tons of Bombs Dropped

From the air, massed squadrons of Gen. Franco's bombers circled over the government capital in unceasing relays, dropping tons of explosives. By midafternoon Barcelona had been bombed fourteen times since the furious air attacks started Saturday.

Reports tonight placed the number killed in today's raids on the capital at thirty.

(The insurgent high command at Burgos said tonight that its Catalonian offensive had occupied 500 government towns, conquered more than 15,000 square miles and seized almost 60,000 prisoners in the month since it began Dec. 23.)

Insurgents said that Igualada, thirty miles west of Barcelona, was captured early this morning. Twice within three days it had changed hands while veteran government troops under Gen. Enrique Lister fought desperately to save it.

Between Igualada and Manresa, about fourteen miles northeast, insurgents said, they had crossed the Llobregat river, cutting a road which not only linked Barcelona to the northern sectors of the front but which also was one of the two main highways to the French frontier.

Observers See End of War

Border observers believed that closing of the fist would mean collapse of government resistance and an end of the civil war which, in two and a half years, has taken more than 1,000,000 lives.

Refugees fleeing into France from government Spain brought increasingly numerous reports which indicated growing panic in Catalonia.

Some said government officials already had fled Barcelona by airplane, carrying secret government archives to Madrid and Valencia.

According to other reports, the Barcelona government has asked France to authorize an exodus of 40,000 refugees from Catalonia if it should become necessary.

The insurgent air attacks on Barcelona's port apparently were aimed at cutting the city off from much-needed food supplies. Teeming with refugees from the fighting zones, Barcelona quickly was becoming a besieged city, with insurgent land forces and fleet isolating it ashore and afloat.

The British steamer African Mariner, which arrived at Barcelona four days ago with a cargo of wheat and frozen meat, was sunk by air raiders.

Headlong Flight Reported

Insurgent reports said the government armies were in headlong flight in the coastal sector, and expressed belief they were attempting to fall back to a large line of defenses which ring Barcelona only ten miles from the center of the city.

Gen. Juan Yague's columns, conquerors of Villanueva y Geltru, last coastal town of any size before Barcelona, were reported to have captured Sitges, Spanish "movie capital," only eighteen miles from the government capital.

Late in the day dispatches from Barcelona said the government had recaptured Sitges and had driven the insurgents back almost to Villanueva y Geltru, a distance of four miles.

Insurgents also reported capture of Villafranca del Panades, eighteen miles south of Igualada, the third key position of the government's supposed Catalonian "Maginot" line.

They were the government's last hilltop strongholds. From there on to Barcelona, Franco's fighters found themselves on the down slopes of ranges surrounding their goal, and with the most formidable natural barriers behind.

YUGOSLAVIA IS NEARER THE ROME-BERLIN AXIS

BELGRADE, Yugoslavia, Jan. 22 (AP).—Yugoslavia moved closer to the Rome-Berlin axis today as she prepared to accept an offer from Italy for financial credits and enlarged opportunities for absorbing Italian culture.

As a result a Hungarian-Yugoslav friendship declaration appeared to be in the offing.

These developments came from Italian Foreign Minister Count Galeazzo Ciano's conferences with Premier-Foreign Minister Milan Stoyadinovich, of Yugoslavia, during a week's hunting trip which ended last night.

A communique said the two statesmen were in accord after canvassing the entire international situation.

It was emphasized in Belgrade, however, that while Yugoslavia nudged closer to Rome and Berlin in political and economic collaboration, the approach was from the southern end of the axis.

Economic leaders, especially, openly expressed satisfaction over the possibility of doing more business with Italy because of difficult conditions of payment and barter involved in trading with Germany.

Franco's Troops March Rapidly On Barcelona

Cruiser On Way; Government Spain Declares Drastic "State of War."

By the Associated Press

United States officials arranged today to remove Americans from Barcelona as the Spanish Government ordered civil evacuation of its capital under the threat of insurgent armies a little more than fifteen miles from Barcelona's gates.

American embassy officials in Barcelona said they would summon the United States cruiser Omaha tonight and told Americans to be prepared for the ship. The Omaha, at Villefranche, France, is about twelve hours from northeast Spain.

Steps also were taken in London to evacuate British nationals.

Government Spain, meanwhile, went under a drastic "full state of war," which border observers believed to mean martial law. A commission was created to remove Barcelona's entire civilian population except persons needed for defense. Vital services were put under government control. Mobilized laborers began encircling the city with trenches.

While Generalissimo Francisco Franco's armies pressed steadily in on the great coastal city, his war planes continued bombing it at one and two-hour intervals.

THREE COLUMNS ADVANCE

Simultaneous advances of three insurgent columns, war bulletins said, placed their vanguards slightly more than fifteen miles from Barcelona — "within cannon distance" — and forced government troops back under a deadly hail of bullets, bombs and shells.

Despite reports that the government would move to Gerona if the insurgents approached much closer and its own acknowledgement that some departments would be shifted elsewhere, cabinet members said the capital would remain in Barcelona to fight to the bitter end.

Previously in the two-and-a-half-year-old conflict the Government had moved its capital from Madrid to Valencia and from Valencia to Barcelona. The Insurgent drive against Barcelona, which started a month ago today, was designed to bring a quick end to the war in which Insurgents have gained control of about three-fourths of Spain.

100 CIVILIAN AMERICANS

United States officials in Barcelona were said to have a list of 100 civilians, mostly Puerto Ricans and Filipinos, besides about fifty wounded American veterans of the Spanish Government's international brigade who have been mustered out of the army, but have not yet been able to leave Spain.

The Americans will leave from Caldetas, where United States officials have taken a villa. The United States Embassy also was expected to be removed.

Vice-Consuls Douglas Flood and John Jernegan, however, intended to remain in or near Barcelona indefinitely.

Flood in a recent notice to Americans warned all United States citizens that the consulate can assume no responsibility for Americans and urged that all transportation arrangements be made as soon as possible.

Americans still in Catalonia, including Filipinos and naturalized citizens, were a few bankers, telephone executives, business men and newspapermen.

Italian financial aid to Yugoslavia and a friendship agreement between Yugoslavia and Hungary appeared to be the most concrete results of the visits of Italian Foreign Minister Count Galeazzo Ciano last week to Belgrade.

Reports to Shanghai said Japanese were reinforcing their Mongolian garrisons, possibly in preparation for the long-expected offensive against the vast area to the north of China proper and leading, through Outer Mongolia, to Soviet Russia.

Gen. Fu Tso-Yi, commander of the Chinese northern armies, said his forces have repulsed Japanese exploratory attacks and were prepared to resist a campaign.

Two Japanese columns, meanwhile, continued their drive into the China interior. One occupied Kingshan, about seventy-five miles airline northwest of Hankow. The other still was trying to capture Tienmen, about fifty-five miles west of Hankow.

Chamberlain stressed the voluntary nature of the wartime service for which he pleaded and, concluding, declared:

"It is for you to show the world what a free people are prepared to do in defense of their liberties and the ideals in which they believe."

After explaining that announcement of the plan did not indicate he thought war was coming, Chamberlain said:

"You know I have done, and shall continue to do, all I can to preserve peace for ourselves and for others, too. We in this country would never begin a war. But we might be forced to take part in a war begun by others or we might be attacked ourselves if the government of some other country were to think we could not defend ourselves effectively."

The prime minister declared modern war was not like wars of the past.

"The development of air forces has deprived us of our old island security and in our case, as in the case of continental countries, the civilians would be victims of attack as much as soldiers, sailors and airmen," Chamberlain said.

"Indeed, they might very likely be the first victims.

"For that reason, if we wish to protect our civilian population in time of war, we must prepare the necessary organization in time of peace."

D. R.

FIFTY MILLION BRITONS ASKED TO AID DEFENSE

Chamberlain Calls for All Between 14 and 65 to Back Huge Scheme

Text of Chamberlain's address is printed on Page 11.

LONDON, Jan. 23 (AP).—Prime Minister Neville Chamberlain appealed today for the voluntary support of 50,000,000 Britons between the ages of 14 and 65 for the civil defense army.

The prime minister broadcast his message to the empire in connection with the issuance Wednesday of the "National Service Guide," which outlines precise means of wartime service for all.

"Its scheme is to make us ready for war," Chamberlain said, adding that "that does not mean I think war is coming.

"The better we are prepared to defend ourselves and to resist attack," he explained, "the less likely is it that any aggressor will try an adventure in which chances of success would be so unpromising."

Rebels Bomb 5 British Ships

BARCELONA, Jan. 23 (AP).—Insurgent air raiders today bombed five British ships, sinking one and killing two officers, in attacks apparently intended to choke off Barcelona's food supplies.

LEFTIST CAP IS WITHIN RA OF REBELS'

STIFF DEFENSE PLANNED

Fearful of Execution if City Falls, Many Ready to Die Fighting

CIVILIANS DIG TRENCHES

Evacuation Starts With Foe Only 10 Miles Away—City Is Bombed 11 Times

Insur gent Shells and Bombs

By the Associated Press.

HENDAYE, France (At the Spanish Frontier) Jan. 24 (Tuesday).—Insurgents advancing along the coastal mountain range laid siege today to the little village of San Boy, nine and a half miles southwest of Barcelona.

The attacking troops descended on the little town from the north after capturing the mountain position of Olesa de Bonesvalls.

San Boy was held doggedly by government militiamen because of its position on a hill above the Llobregat river dominating the coastal highway and the highway from Martorell and Barcelona.

Despite reports that Martorell, only ten miles west of Barcelona, has fallen, government bulletins said the town still was in its hands, though its position was critical.

The gravity of Gen. Franco's threat to Barcelona was reflected by drastic defense measures, but government supporters contended the insurgents were far from winning the civil war despite the capital's peril.

Indications of a bitter-end defense of the city grew today as the government ordered all civilians unable to help to leave the capital.

Many Fear Firing Squads

Many feared they would be put to death if captured by the insurgents, and they preferred to die fighting. Able-bodied civilians, including women, worked on fortifications and dug trenches.

United States and British authorities arranged to remove their nationals from the Barcelona zone. A British cruiser and a destroyer were cruising off Barcelona and the American cruiser Omaha was ordered from Villefranche, on the French Riviera, to Barcelona to pick up Americans.

The Spanish government imposed a "full state of war"—complete martial law—on both parts of government Spain, the Catalonian and southern segments, transferring all civil authority to the military.

At Madrid, Gen. Jose Miaja, military commander of the southern part of government territory, said that "barriers raised against the invaders are impregnable in our zone."

The Barcelona cabinet declared it would remain in Barcelona, although it was reported at the French border that ministerial archives and provincial courts already had been transferred northward, closer to the French frontier.

Expect Officials to Flee

It was expected that actual insurgent entry into Barcelona would send government officials northward where the cities of Gerona and Figueras would offer ample havens and possibly a seat of government until the insurgents still further narrowed the government's northeastern corner of Spain.

The government acknowledged steps had been taken "to face any eventuality and to assure the continued work of the administration." Border advices said Gerona had been chosen as the next provisional capital if Barcelona should fall.

The nearest of Franco's forces, according to insurgent advices, was on the main coastal highway southwest of Barcelona.

Some advices said the government had thrown up the first outposts of its "iron ring" Barcelona defenses near Castelldefels.

Almost due north of Castelldefels, a second insurgent column was attacking near Martorell, twelve miles west-northwest of the edge of Barcelona and on a highway linked with the coastal road only a few miles outside the capital.

Citizens Show Severe Strain

The severe strain of a month of uncertainty, deepened by three days of virtually continuous air raids, was shown clearly by the drawn anxious appearance of Barcelona's citizenry.

A constant shriek of warning sirens was mingled with the sound of anti-aircraft batteries. Latest estimate of bombing casualties was thirty-two dead and 100 wounded—relatively low for the time the raids lasted. Tele-

CAPITAL IN RANGE OF INSURGENT GUNS

From Page One

phone and electricity services, however, have been seriously affected.

Twenty persons were killed in one bombing. The insurgents raided the city eleven times today.

The capital's civilians began withdrawing under their new orders. They packed their belongings and moved along streets where harried women were bundling records from public offices into available conveyances or where clerks were preparing to leave offices.

Refugees made toward roads leading to the north, some carrying bundles or home-made knapsacks, some riding in crude peasant carts with whatever treasured possessions and food they were able to pack.

The refugees still managed an occasional smile. A few even cheerfully tried to hitch-hike by signaling peasant carts.

Downtown the picture was more frenzied. Army trucks, ambulances and war machines dashed back and forth. Here a group of about thirty Americans and 200 Britons awaited the warships which were en route to evacuate them at Caldetas.

They preferred to stay indoors rather than wander in the windswept, shuttered boulevards which, although not altogether empty, sadly lacked the customary crowds.

Strafe Barcelona

Ships to Evacuate Americans From Pitiless Bombarding

Paradoxically, Franco Brings Food To Make Friends With Stricken People.

PERPIGNAN, French-Spanish Frontier.—(U. P.)—The insurgent armies of Gen. Francisco Franco crashed the last main line of Loyalist defense today and closed in on the great city of Barcelona.

United States, British and French officials, aided by warships in the Mediterranean, rushed evacuation of their nationals as rebel bombing planes pounded at the Loyalist capital and fast motorized units smashed against the nearby River Llobregat defense line.

Insurgent artillery opened up on the outskirts of Barcelona, with the main part of the city and the harbor in range of the guns.

An insurgent dispatch predicted complete occupation by tonight.

MOORS FIRST

The Moorish Army Corps commanded by Gen. Juan Yague which had driven northeastward along the coast from Tarragona was reported the first insurgent unit to enter the government capital.

The government fort of Montjuich, a Gibraltar-like rock towering over Barcelona at its southern edge, rose above this column.

Franco's inland columns, converging on Barcelona from the west end and northwest, were reported to have captured the important town of Tarrasa, fifteen miles northwest of Barcelona.

On this flank the insurgents were pressing on toward the sea in a drive to cut off Barcelona from the north and leave the city's defenders trapped and without hope of outside help.

The evacuation of government departments from Barcelona was completed during the night. The new seat of government remained officially a secret, lest it become a target for insurgent bombing planes.

At the border, however, it was learned that most of the Barcelona ministers had gone to Figueras, in the far northeastern corner of Spain and only fifteen miles from the French border.

(Gerona, twenty miles south of Figueras, also had been mentioned as the possible new capital.)

The War in Brief

STARTED: As an army revolt against the Popular Front (Government) regime.

BECAME: A clash of authoritarian and leftist political doctrines threatening to involve all of Europe; a struggle between the small, well-trained insurgent army aided by German and Italian men and guns, and the huge government militia army, once bolstered by volunteers of a dozen nationalities.

GAINS: Insurgents advanced almost from the start, July 18, 1936. Within a year they controlled almost half of Spain; within two years they had two-thirds and had cut government territory into two parts.

OBJECTIVE: Insurgents are trying to end war quickly by capturing Barcelona, main city of the government's northeastern section, and mopping up Catalonia. Government supporters say war will go on, even if Barcelona Falls.

Bloody Battle Being Fought In Doomed City

Loyalists Still Trying to Hold Capital; Moors Enter First.

HENDAYE, France (at the Spanish Frontier.) — (A. P.)—An Insurgent military dispatch said Generalissimo Francisco's Insurgent troops entered Barcelona today.

The advance guard of the Insurgent armies marched into the Spanish Government capital after tightening a ring around the city on three sides, reports from field headquarters said.

Barcelona still was in Government hands, however.

A direct communication from the capital (4:30 a.m. Chattanooga time) said government troops still held out in the city proper.

French Guns Fire at Rebels

CERBERE, France.—(A. P.) — French antiaircraft batteries fired two warning rounds today at four Insurgent bombing planes which circled over French territory near this border city.

The appearance of the planes hampered the scheduled passage of about 400 non-Spanish combatants, including ninety-four Americans, through the international tunnel from Spain to France. The crossing of the former members of the international brigades was delayed until afternoon.

Thousands Reported Dead in Chilean Quake

Army Planes Report Vast Devastation

Rescuers Push Work; Number Of Fatalities Not Certain

Americans Are Endangered

ABOARD THE U. S. CRUISER OMAHA, Near Barcelona.—(A. P.)—Insurgent planes began today bombing the village of Caldetas, where more than thirty American refugees from Barcelona were gathered to board this cruiser, anchored two miles off shore.

The bombardment began after the Omaha sent out a boat to take off the refugees. The cruiser stripped antiaircraft guns ready for action if necessary.

Caldetas is twenty miles northeast of Barcelona and the refugees had gone there yesterday and last night.

Seven bombers flew over the American, British and French warships anchored off Caldetas and dropped bombs, most of which struck the water near the coast.

Spanish government antiaircraft batteries fired back. Shortly afterward another squadron of planes bombed the coast, making a direct hit in Caldetas, where the Americans awaited evacuation.

The U .S. S. Badger, a destroyer, and the French destroyers Simoun and La Fortune joined the fleet of foreign warships shortly before the bombing.

The Omaha arrived last night after a rough trip from Villefranche. Capt. Willis Lind ordered the cruiser darkened during a part of the voyage to avoid being mistaken for a Spanish government vessel.

The United States charge d'affairs at Barcelona, Walter C. Thurston, and Capt. Francis Cogswell, naval attache, had come to Caldetas to arrange the evacuation.

Lind said a lack of harbor facilities made it necessary for motorboats to be used in taking off the group.

SANTIAGO, Chile.—(A. P.)—An army plane surveying the scene of a disastrous Chilean earthquake today flew low over Chillan, 220 miles South of Santiago, and reported finding the city of 40,000 inhabitants "completely destroyed."

The report of heavy damage to Chillan came as three army planes flew South to check unconfirmed reports 2,000 persons had been killed in Concepcion, important coastal city fifty miles southwest of Chillan.

The mayor of Concepcion sent a terse message to the government saying:

"Situation most serious as a result of the earthquake. unable to state number of casualties, but many hundreds, probably thousands. Require food, medical aid. Desperately urgent."

A radio message from the Chile Telephone Company manager, sent from San Rosendo, twenty-five miles south of Concepcion, said that probably 2,000 persons had been killed in Concepcion.

Other sources, however, considered this estimate too high, despite radio reports that three big fires were raging in the center of the coastal city.

Center of the quake was believed to be the mountainous region along the border of Biobio and Malleco Provinces south of Concepcion.

The government instructed carabineros, army, navy, State railway and State telegraph employes to obtain exact information concerning magnitude of the disaster and warned against exaggeration.

Reports from Talca, midway between Santiago and Concepcion, said eight persons were killed and twenty injured there, but little damage was caused by the quake.

From other cities of the region came these preliminary reports:

Angol, five dead; Talcahuano, seven killed, many injured; San Carlos, a small town near Chillan, widespread property damage; Parral, many victims and great damage, and Cautin, many victims and serious damage.

First reports said the majority of houses were destroyed in Renaico, small town fifty miles south of Concepcion, and the railway disrupted in numerous places. Forty per cent of Concepcion's houses were reported demolished.

Early reports had accounted for fourteen dead in the quake area, which included Talca, a city of 45,000 inhabitants.

Soldiers sped to this area, which included the city of Talca with a population of 45,000 and Concepcion, port city of 77,000 people.

The radio operator at Talcahuano, close by Concepcion, advised the Valparaiso Navy station, that electric power was off at Concepcion and that fire was noticed.

Two brief amateur messages got through from Talca. One said the temblor was violent, that three were killed and twenty seriously injured. The second said several were killed and that many houses collapsed.

Seven were reported dead in the area between Talca and Angol, to the south. Other reports gave four killed in Angol itself and said many buildings were destroyed.

A special train started from San Rafael, twelve miles north, in an effort to get through to Talca.

HAVOC

The first temblor rocked Santiago for one-half minute and sent screaming children and women from their homes into the streets. No damage was done here, however. In other cities shocks lasted more than a minute.

Shocks also were felt at Valparaiso. A church spire there was damaged and minor surface cracks appeared in some buildings.

Valparaiso, sixty miles northwest of Santiago, was the northernmost point to report damage, but the shocks extended from there eastward seventy-five miles across the country and into the Andean provinces of Argentina, San Juan and Mendoza.

Bombs Narrowly Miss U.S. Legation in Spain

PERPIGNAN, France, Jan. 24 (AP). An assistant United States naval attache said tonight the American legation at Caldetas, Spain, had narrowly missed being bombed last Saturday when an insurgent missile dropped in the vegetable garden, less than 200 yards from the building.

Capt. Ross Hillencutter, from the Paris embassy, said insurgent bombers in the last few days frequently had flown over the legation building, twenty miles north of Barcelona.

The attache crossed the frontier into France tonight after a week in Spain rounding up United States citizens in the Barcelona zone. He said only about forty of the 180 Americans in the zone had decided to board the cruiser Omaha off Caldetas tomorrow.

REBELS AT EDGE OF BARCELONA; CABINET FLEES

SHELLS TEAR CAPITAL

First of Three Insurgent Columns Makes Dash to Outskirts of City

2,000,000 SEEN TRAPPED

Trains Stopped—Loyalists Face Famine—Aid From Madrid Last Hope

WITH THE SPANISH INSURGENT ARMY, Jan. 25 (Wednesday) (AP).—Spanish insurgent troops today prepared for a fresh attack on the enemy's lines directly before Barcelona with the possibility that their drive would clear the way for an immediate advance into the city.

By the Associated Press.

HENDAYE, France (At the Spanish Frontier) Jan. 24.—The first of three columns of Insurgent Gen. Franco's army attacking Barcelona rolled its way to within a mile and a half of the city's center tonight while insurgent shells ripped into the government capital.

The insurgents' southern army on wheels, almost without firing a shot, captured the government airdrome at Prat de Llobregat, and then sped along the coast to the suburbs of the capital where it expected to halt until the other armies could sweep across the coastal plaines to cut off the city completely.

The dash was made by Gen. Juan Yague's Moroccan corps which earlier had been reported at Gavà, seven miles away.

Within Barcelona proper, reports reaching the border said, the calm of the refugee-choked city of 2,000,000 people was beginning to break as it became apparent there was no means by which they could flee to the north.

All Trains Stopped

These reports said all trains had stopped running. Only members of the government and a lucky few others were able to obtain cars and trucks to carry them out of range of the smashing shell fire from insurgent guns that had been pounding the city since noon.

The government's decision to move northward to Gerona or Figueras, respectively fifty and seventy miles nearer the French border, was said to have started a mass trek of women, children and old men on foot.

They were carrying their most precious possessions on their backs or trundling them in wheelbarrows.

Roads to the north were choked with traffic that forced the footsore refugees off the highways. Every available vehicle had been taken over by the government for the round-up of all able-bodied men who had been pressed into service to build emergency fortifications.

Other information reaching the French frontier indicated the city's hundreds of thousands faced a famine.

These reports said there also was a serious lack of ammunition which explained the lack of resistance made by the government troops as they fell back on the government capital.

France Warns Italy

PARIS.— (A. P.) —Foreign Minister Georges Bonnet gave Italy a solemn warning today to keep hands off the French colonial empire, while south of France's Spanish frontier Italian troops were aiding the Insurgent conquest of Barcelona.

"France cannot permit any one to touch the empire she founded with her blood," Bonnet declared in the crowded, cheering Chamber of Deputies.

His speed concluded two weeks of foreign affairs debate just after the Government called 80,000 young men, six months ahead of schedule, for service during the coming months when Italy's demands for a share in the French Empire are expected to reach a climax.

Rebels Meet No Resistance At Barcelona

Insurgents Claim City Calm And Invaders Being Met With Cheers.

By LOUIS WALTER

PERPIGNAN, French-Spanish Frontier.—(U. P.)—The loyalist stronghold of Barcelona fell today before a crushing month-old insurgent offensive across Catalonia, rebel military dispatches announced.

Rebel Gen. Francisco Franco's army of twenty divisions smashed its way through the last lines of loyalist shock troops to encircle the battered republican capital, the military dispatches said, and a Navarrese motorized unit of Spaniards and Italians dashed to the great Plaza de Pas Glorias Catalanas, in the heart of the city.

Loyalist resistance, the Insurgent messages said, had collapsed and the population emerged to cheer the red-capped Navarrese.

"WITHOUT DIFFICULTY"

A dispatch via Burgos early in the afternoon said that Insurgent troops, entering the city over five different roads, were "gradually occupying Barcelona without difficulty."

Public buildings in the city — which will be Franco's new temporary capital—were occupied, the dispatches said, as the last of the Loyalist army streamed northward to new lines along which they will defend northern Catalonia. The roads to Gerona and Figueras were jammed with refugees, Loyalist officials and soldiers, many of them on foot and without rifles or equipment.

Not a single Loyalist leader was left in Barcelona when the Insurgents entered, the Burgos messages reported, but there were no estimates of the number of refugees or extremists still in the city, which a few days ago had a population of 2,000,000. Nor did the messages mention the fate of many thousands of extremists supposedly listed for death or imprisonment by the Insurgents.

Vast Migration

PERPIGNAN, France.— (A. P.) —French officials announced every available mobile guard in the Pyrenees department today to reinforce posts in "the emergency zone" along France's frontier in expectation of a flood of refugees from Spain.

Jules Henry, French ambassador to Government Spain, warned authorities that a vast migration, already begun by water, soon would begin by land.

Refugees

MARSEILLES, France.— (UP) — The United States cruiser Omaha arrived today with the American Embassy staff from Barcelona. The destroyer Badger, with twenty refugees, had arrived last night.

Walter Thurston, charge d'affaires of the embassy; Lieut.-Col. Henry B. Cheadle, military attache; Capt. Francis Caldwell, naval attache, and Charles Gilbert and William Krieger, embassy clerks, were on the Omaha.

Loyalist Appeal

WASHINGTON.—(UP)—The Spanish Embassy today appealed to the world's democracies to sell the Spanish republic arms for its defense.

The embassy declared that the war in Spain will not be terminated "until the invaders are thrown from its soil."

The rebel advices said, however, that a great array of white flags and Nationalist red and gold banners greeted the advancing Insurgent troops, which included the Moroccan column under Gen. Juan Yague, which led a drive up the coastal roads to undermine the main Loyalist armies defending Barcelona.

MOST STUNNING BLOW

The occupation of Barcelona was described in Burgos dispatches as the most stunning blow yet struck by the Franco armies. Frontier advices indicated that the Loyalists would fight on in the Catalonian hills near the French frontier, but the main scene of action is expected soon to shift to the central sectors, where Madrid and Valencia still are held by the Loyalists.

Against those cities, Franco now is expected to throw the main strength of his armies. An Insurgent dispatch reported that a Loyalist offensive started several weeks ago in Estremadura Province, southwestern Spain, had been broken, and that rebel counter-attacks had regained ground lost there.

With seizure of Barcelona, two-thirds of Catalonia is now in Insurgent hands and an additional 3,000,000 persons have come under Franco's rule. The Rebels already are moving in food to provide for them.

In all Spain the Nationalists control 17,000,000 population and the Loyalists 6,000,000.

CITY "CALM"

The Insurgent dispatches relayed by way of Burgos reported that Barcelona was "calm."

"The inhabitants quietly awaited the entry of the Nationalist troops and are now fraternizing cordially with the Nationalist soldiers," one message from the Insurgent headquarters said.

Italian and Spanish fighters of the Navarrese army corps commanded by Gen. Jose Solchaga and Moroccan troops under Gen. Yague began the march into Barcelona at noon after Insurgent headquarters had received word other columns had completed encirclement of the great industrial city.

NO SERIOUS RESISTANCE

The first stages of the entry into the city—which Franco said would become the temporary capital of Insurgent Spain—were without serious resistance, the rebel dispatches announced, although severe fighting marked the encircling maneuver designed to cut the last avenue of retreat northward toward the French frontier.

Climaxing a month-old win-the-war offensive through the Catalan hills and up the Mediterranean coast, the Insurgent armies reported to their headquarters at Burgos that they entered Barcelona by southern and western routes.

Earlier, they said, they had stormed the great hills of Montjuich on the south and of Tibadabo—which dominates the city from the west—and beaten back the Loyalist shock troops seeking to delay encirclement of the city.

Fighting at that time was described as severe and the United Press correspondent at Barcelona reported just before 11 a.m. that machine gun fire and cannonading resounded through the outer streets of the city as the rebels moved in.

A minute later, the same correspondent reported: "No official news is available" and at the same hour the insurgents announced their troops had started into the city. The dispatch, probably the last to be filed from Loyalist Barcelona, indicated that all Loyalist officials had left the city.

STREAMING NORTHWARD

For the last three days, Loyalists had been streaming northward out of Barcelona toward the reestablished Government offices in Gerona, Figueras and other cities nearer the French frontier, but it was obvious that the majority of 2,000,000 persons in the city were unable to get out over the two traffic-clogged main roads.

How many of the extremist forces—reputedly marked for death or imprisonment by the insurgents—had been tarpped by the encirclement announced by the rebel headuarters was uncertain. If the number was large, frontier observers said, there might be severe fighting in the city streets.

The Loyalists had struggled to hold the northward roads, however, until the bulk of its army of 250,000 men could move northward to new lines in defense of Gerona and Figueras, and a campaign of at least several weeks was predicted in that section of Catalonia.

The last hours before Franco gave the order for his troops to advance into the city were in strange contrast to past days in which a steady stream of rebel airplanes bombed Barcelona and artillery shells dropped in the port area, starting big fires that added to the dangers of conflict.

CANNONADING STOPS

At 10 o'clock last night, the United Press correspondent at Barcelona reported, cannonading stopped. There had been no airplane bombardments for hours although Rebel warcraft constantly were circling overhead.

The water supply, which had threatened to run out, was better and the population calm. All night long the people stood in line before the official and private cooperative stores, helping themselves to food.

Some political prisoners held by the Loyalists were released.

Then at dawn the suburbs began crackling again with machine gun fire and, a little later, cannonading. The Rebels apparently were making their last thrusts against the Barcelona Heights still held by Lovalists.

Powers Line Up for Fresh Crisis to Follow Barcelona

Berlin Becomes Center Again of Europe's Whirl

Fallen Capital Of Loyalist Spain Is Calm After Wild Celebration.

BY JOE ALEX MORRIS,
United Press Foreign News Editor.

The triumphant march of Spanish insurgents through the hills of Catalonia shook all Europe today as the great powers faced an inevitable showdown on power in the Mediterranean.

Fall of Barcelona to the armies of Gen. Francisco Franco—a spectacular and possibly decisive military triumph in the civil war—was only the starting signal for which the big nations had been waiting.

DIPLOMATIC STRUGGLE

It threw open a vast horizon of diplomatic struggle between the opposing blocs of democracy and totalitarianism.

Intensity and importance of that contest for dominance in the new Europe may be indicated swiftly by two events:

1. Great Britain's campaign to forestall a new "crisis" as a result of the demands of Italy for greater influence at expense of France in the Mediterranean. Prime Minister Neville Chamberlain in a speech Saturday is expected to tell the world how Britain has bolstered her armed strength as a means of maintaining the balance of power and how far she will go to warn against any act that might touch off a conflagratoin.

2. The support Germany will give her totalitarian partner, Italy, in seeking the Fascists' "natural aspirations" in the Mediterranean and the extent of the new Nazi demands in Eastern Europe. The answer to these questions is expected in Fuehrer Adolf Hitler's speech to the Reichstag next Monday on the sixth anniversary of his rise to power.

Thus again in the contest for dominance the final answer shifts back to Berlin, where Hitler has maintained official silence in regard to Italian Premier Benito Mussolini's bid to reap his share of the totalitarian profits at the expense of France and Britain in the Mediterranean.

END OF CONCESSIONS

But this time there is another factor that must weigh heavily. Britain has given every indication of having reached or at least neared the end of concessions under Chamberlain's appeasement program. At his recent Rome conferences with Mussolini the British prime minister — spurred by the demands of France and a large element in his own country—stood his ground and the talks ended in a stalemate.

Last night Sir Samuel Hoare, home secretary of Britain, echoed a recent statement by the Prime Minister when he publicly warned Europe's totalitarian powers that the British Empire was invincible—that the British "will to resist" could not be overcome.

In addition the Cabinet was understood to be considering a broad diplomatic move intended to ward off the crisis which many have feared was developing, and that plan may result in strong declarations—such as military support for France in event of any attack—in Chamberlain's speech on Saturday.

GENERALISSIMO FRANCISCO FRANCO

O. K.

FACE-TO-FACE ISSUE

The Chamberlain address will be intended partly to warn Hitler against any sweeping declarations when the Nazi Fuehrer faces the Reichstag on Monday and will swing the European struggle again toward a face-to-face issue between Germany and Great Britain, with France and Italy in anxious seats on the sidelines.

The Paris and Rome Governments already have made their positions clear. Italian Premier Benito Mussolini tended toward confirmation of reports that he would make formal demands on France as soon as the Spanish Insurgents were assured of ultimate victory when he declared in a brief speech yesterday that Barcelona was merely another chapter in the story of a "new Europe which we are creating."

In this building of a new Europe the Nazi-Fascist support of Spanish Insurgents has become of great immediate importance. Spain as a base for Nazi-Fascist military operations would aim a knife at the heart of both France and Britain. Thus it becomes of overwhelming importance to the democracies that the totalitarian powers get out or be driven out of the Iberian peninsula when the civil war ends.

Mussolini has put it on the record that Italy will get out, but has been vague about when and how. But last night in Paris, French Premier Edouard Daladier and Foreign Minister Georges Bonnet made it clear that Britain and France were agreed to go almost any limit—the implication was that they would fight if necessary—in order to force foreign forces out of Spain after the war.

That left no question that the issue had been joined and that France—working desperately to make sure Britain would stand firmly behind her—was preparing to fight if necessary against territorial demands by Italy. At the same time, it did not mean that France ruled out a settlement which would give Italy important concessions such as power in the Suez Canal board and a free port at Djbouti.

Meanwhile the Spanish Nationalist forces, sweeping north to pocket the retreating Republican forces in the narrow northeastern segment of Spain along the French border, captured Badalona and pressed steadily forward.

Badalona is eight miles north of Barcelona and is the first important town on the coastal highway to the north.

Generalissimo Francisco Franco, determined to give the Republicans no rest, has ordered four army corps to pursue and wipe out the remaining Catalonian army.

Gen. Jose Davila, commanding the Nationalist army in Catalonia, annulled all Loyalist appointments and decrees in the area, demanded the immediate surrender of arms, munitions, explosives, public documents and illegally acquired valuables, and intimated that courts-martial would be set up at once to try captured Loyalist leaders.

Davila announced the annulment of all orders and appointments of the Loyalists since July 18, 1936, the day after the start of the civil war. All who disobeyed his orders, Davila said, would be considered rebels and traitors.

"Military law will be applied by competent Nationalist tribunals," his proclamation continued.

He ordered that all authorities and organizations in newly occupied territory maintain contact with military and judicial authorities regarding the administration of justice, and added:

"The classification of prisoners is the task of military justice."

Street cars and subway trains resumed service in Barcelona today. Youths and girls milled in the streets, carrying Nationalist flags and shouting "Long live Spain!" Street cleaning squads began sweeping up tons of waste paper and rubbish.

The Nationalist troops were orderly.

TO DISTRIBUTE FOOD

Authorities announced a mass food distribution this afternoon, and a gala military review.

One of the first acts of the Nationalist authorities was to order all members of the legendary "Fifth Column" of Fascists, who had operated secretly in Barcelona since the beginning of the civil war, to report to central headquarters.

Arrangements were made to celebrate masses at all churches. In all the city, only one church had been opened under the Loyalist regime, Nationalist authorities said. This one was for Basques.

During the night, the Nationalist troops fraternized with the people of Barcelona, promenading the main streets with girls, many playing guitars and singing Nationalist songs. The royalists of the Carlist Requete organization were particularly well received, identified by their red berets. Crowds gathered at celebratory bonfires, made of old Loyalist signs.

But in the early hours of the morning, the city was quiet. The troops had marched many miles, and were exhausted. They did not bother to find shelter, in many instance, but slept in doorways.

Meanwhile, in Rome 200 carabiniers and a detachment of troops were called out to prevent students from demonstraitng against France in front of the French embassy and the French Institute.

Hundreds of students had been released from classes to celebrate the Nationalists' capture of Barcelona.

They had congregated in the vicinity of Farnese Square, where the French embassy is located, shouting insults against France.

Soldiers swept down on the square, forced the students back. Policemen cordoned off six streets leading toward the square.

The students crowded back of the cordon for a time, continuing to shout imprecations at France, then marched off toward the center of the city.

ITALIAN CROWD CRIES 'TUNISIA'

Il Duce Hails Rebel Victory, Is Pleased When Demands on France Are Renewed

ROME, Jan. 26 (AP).—Premier Mussolini tonight hailed the fall of Barcelona as a defeat for fascism's enemies and evoked shouts of "Tunisia!" and "Corsica!" from a boisterous crowd of 50,000.

Il duce smiled broadly from his Palazzo Venezia balcony as the crowd, standing in a driving rain, called him back repeatedly after he spoke briefly. Each time the people renewed the clamor for French territory raised Nov. 30 in the chamber of deputies.

The calls for Tunisia, French north African protectorate, and Corsica, island department of France, continued in steady chants for some minutes after his address.

There were also a few isolated shouts of "on to Paris," but this cry did not appear to come from organized fascist groups.

Il Duce "Surprised"

At the first cries, il duce spread his arms in an attitude of surprise. Then he beamed broadly and gave the fascist salute.

(In Paris, French Foreign Minister Georges Bonnet told the chamber of deputies that France's differences with Italy may soon become a "question of force" and Premier Edouard Daladier told radical-socialist deputies he intended "to stand firmly for the integrity of the French empire.")

Mussolini appeared initially on his balcony in response to the clamor of fascists demonstrating over the victory of the Italian-aided Spanish insurgents in taking Barcelona.

In his brief speech he said:

"The shouting of your fully legitimate exultation joins with that of every Spanish city now completely liberated from the infamy of the reds and that of any bolsheviks of the world.

"The splendid victory of Barcelona is another chapter in the new Europe we are creating.

"The magnificent troops of (Generalissimo Francisco) Franco and our intrepid legionnaires not only defeated the government of (Premier Juan) Negrin, but many others of our enemies are biting the dust at this moment.

Loyalist Slogan Booed

"The slogan of the reds (Spanish government) was 'no pasaran!' (they shall not pass!) We passed and I say to you that we will pass!"

There were jeers from the crowd as he spoke the slogan, and his concluding sentence brought prolonged cheering.

His mention of Franco's "magnificent troops" was received in silence, but as he added "and our intrepid legionnaires" there was rousing acclaim. Negrin's name brought loud booing and whistling.

Il duce appeared in a new uniform as chief of fascism with a black-visored cap ornamented with red and gold.

Differences of France, Italy Are 'Racing Toward Climax'

Daladier Reveals Agreement With Britain on Steps to Curb Duce in Spain—Occupation of Minorca, Morocco May Be the Plan

By the Associated Press.

PARIS, Jan. 26.—Premier Edouard Daladier declared tonight that French-Italian differences were "racing toward a climax."

His declaration followed a disclosure that France and Britain had agreed on "the necessary measures" to counter any Italian refusal to withdraw from Spanish territory at the end of the civil war, and an assertion by Foreign Minister Georges Bonnet that Mediterranean issues might soon become "a question of force."

Daladier addressed the chamber of deputies at the end of ten days of foreign affairs debate and the chamber stood as one man to cheer his declaration of firmness against Italian demands.

He won a unanimous vote of confidence in the government's "vigilance to protect the integrity of the French empire and the security of her imperial communications."

Daladier's speech was the most pessimistic he had made to France's legislators. It came as Italian crowds celebrating the fall of Barcelona renewed clamor for French territorial concessions.

The premier made two speeches today—one in the chamber and, earlier, before a meeting of his radical-socialist followers.

At the radical-socialist meeting he disclosed the French-British collaboration on steps to meet any failure of Premier Mussolini to keep his promise to withdraw from Spanish soil at the end of the war.

This disclosure had followed Foreign Minister Bonnet's foreign policy speech in the chamber. Bonnet asserted Britain was solidly behind France in face of "a question of force" which he said soon might arise from French-Italian friction.

"France has listened calmly to threatening words from Italy," Daladier told the chamber. "It is not everybody who can insult France.

"France has the force to allow her calmly to listen to such insults. * * * I demand that you join together solidly, as we approach the peril. * * *"

At another point:

"I will not cede a single piece of our land, nor a single one of our rights. * * * Any policy of retreat is impossible. * * *"

The chamber responded with a 335-to-200 vote of confidence in Daladier's policy.

Daladier, who also is France's war minister, did not specify the French-British "measures," but remarked:

"It is characteristic that British and French warships are now cruising in the Mediterranean along the coast of Spanish Morocco as well as near the Balearic islands."

D. K.

REBELS TAKE BARCELONA, MEET SLIGHT RESISTANCE AS LEFTISTS MOVE NORTH

BATTLES RAGE NEAR BY

Franco Sends His Armies in Pursuit, Captures Additional Towns

WAR-WEARY PEOPLE FED

Victors Cheered by Many in Battered City—Flags of Red and Gold Displayed

PERPIGNAN, France, Jan. 27 (Friday) (AP).—An Austrian who fought in government Spain under the name of Maj. Henry Harding reached Perpignan today with the report that 800 of 3,000 international volunteers were killed or wounded during an insurgent bombing raid at 4 a.m. Thursday (11 p.m., eastern standard time, Wednesday) while the internationals' train, en route to the French border, was standing in a village station eighteen miles north of Barcelona.

The officer's statements to newspapermen at Perpignan were not confirmed by official reports, nor by information received from other travelers.

Maj. Harding, who admitted that was not his real name, said the train was loaded with volunteers from Germany, Italy, Czecho-Slovakia and Austria.

HENDAYE, France, Jan. 26 (AP). — War-battered Barcelona fell to Generalissimo Franco's Spanish, Moorish and Italian troops today—the prize for the greatest victory in the long and savage civil conflict.

The insurgents met but slight resistance in the erstwhile government capital. A small covering force had been left to defend the retreat of the loyalist army protecting the last unconquered fourth of Catalonia.

Down the palm-lined boulevards of the Mediterranean port metropolis the victorious insurgents marched and rode—thousands of white-robed Moroccans, the mountain fighters of Navarre and Italians of the Littorio division.

They carried out a precise plan of occupation, some singing "La Marcha de Granaderos," others shouting the generalissimo's name.

Many among Barcelona's war-weary population of nearly 1,500,000 persons cheered the insurgent columns. Gunners on the semicircular siege line on the inland side of Barcelona had cut off retreat during the two days the insurgents maneuvered for a mass penetration of the city.

War Still Rages Nearby

Peace of a sort came to Barcelona, but the war still raged along the edge of the northeastern Catalonian zone the government had chosen to defend.

Franco's airmen rained bombs on Figueras, some sixty miles northeast of Barcelona, new seat of several of the government ministries removed when the insurgents laid siege to Barcelona.

As pictured by insurgent dispatches reaching the French border, the occupation of Barcelona had a companion highlight in the distribution of large stores of food which had been transported in the wake of the offensive across Catalonia.

Barcelona had been on war rations for months.

O. K.

Chamberlain Shakes Up Cabinet; Will Warn Hitler Tonight

Duce Tells Nazis to Take Colonies; Rout of Spanish Loyalists Continues.

(Compiled From Associated Press and United Press Cable Dispatches.)

Anxious Europe's attention turned today to England, where Prime Minister Neville Chamberlain was expected to make an important speech amid rumblings of a new German-Italian "squeeze play" on France and Britain, and the Spanish insurgents' almost-unresisted victory drive.

In Berlin, Nazis saw a "go-ahead" signal from Italian Premier Benito Mussolini to Reichsfuehrer Adolf Hitler to outline in concrete form his colonial ambitions.

The signal was given in a speech at Munich by Roberto Farinacci, a member of the Fascist Grand Council. Farinacci predicted fulfillment of Nazi aims and declared Italy and Germany were "willing to take up the gauntlet, for we are united and strong."

Propaganda Minister Paul Joseph Goebbels told Germans to toast a "Germany arisen again" on Monday, when Nazis will celebrate their sixth anniversary of rule and Hitler will make a much-heralded speech to the Reichstag.

BRITISH CABINET RESHUFFLED

Meanwhile the British Cabinet was reshuffled to put Lord Chatfield, admiral of the fleet, in charge of the entire defense program, designed to build up Britain's navy, army and air force to invincible strength.

Lord Chatfield, a veteran strategist of the navy and one of the important factors in maintaining its efficiency during the postwar lag in building, will take the vital Cabinet post of minister for coordination of defense.

There were numerous other shifts in minor officers.

The appointment of Lord Chatfield was timed to coincide with what amounts to a showdown between Britain and the dictatorships. It came just before tonight's pronouncement at Birmingham by Chamberlain on the European situation and Hitler's speech on Monday outlining Germany's aims and demands.

The British move was almost a challenge, designed to show Britain's determination to have an armed force capable of defeating any attack and ready to fight as the empire always has been in the past.

army had been reorganized by new men from Central Spain and was prepared to "fight to the death."

At the same time, between 4,000 and 5,000 French troops were rushed to the Spanish border as a tragic horde of refugees from governmental Catalonia poured into France.

The refugees started crossing the border at 8 a.m. and within an hour 5,000 had jammed across the line, completely swamping the French guards.

Raoul Didkowski, perfect of the border department, told higher officials he was unable to carry out their orders to let only women, children and old men in unless troops were ordered to use their guns, if necessary, to keep out younger men.

Of the first 5,000 who came through Le Perthus Pass when the refugee flood gates were opened only a few hundred, however, were men of fighting age.

SENEGALESE FIRST

Several hundred Senegalese troops of the Twenty-Fourth Regiment in Perpignan were the first to reach Le Perthus.

The prefect who went to take personal command of the frontier post sent these troops to keep order in the mile-long circuitous road around which the refugees were routed for classification and vaccination.

French officers said about five battalions of other troops were rushed to Cerbere, Le Perthus and Bourg-Madame, three gateways through the Pyrenees mountains. They came from Perpignan, Toulouse, Marbonne and Montpelier.

Field kitchens and food supply depots, set up behind French frontier barriers by international refugee organizations, were swamped by the half-starved throng.

One woman who sat weeping on a stretcher beside a canteen held a bar of chocolate in her hand and appeared too tired and sick to eat it.

A friend who accompanied her carried the weeping woman's three-day-old baby, born by the roadside on the flight northward from Figueras.

Meanwhile, in Washington, two developments furnished new indications of administration preference for the democracies of Great Britain and France as opposed to totalitarian nations.

They are:

1. President Roosevelt disclosed close American cooperation in furthering France's aerial rearmament through the placing of large orders for planes in this country.

2. Undersecretary of State Sumner Welles said in New York last night the American people would "protect, or, if need be, challenge, the foreign policy of any other nation which threatens the peace or security of the United States, or which results in the violation of the treaty rights of the United States or of its nationals."

His remarks were interpreted generally here as referring to Germany, Italy and Japan. Welles declared:

"The people of the United States and their government have always maintained, and in practice have made it clear, that they assert the right to protest and to condemn the cruel and inhuman treatment of human beings wherever such brutality occurs."

The United States has protested the treatment of Jews in Germany, the aerial bombardment of Spanish cities and the bombardment of Chinese cities by Japanese planes.

Secretary of State Hull was reliably reported to be outlining a speech on the world situation in which he will state the United States' position toward developments in Europe and Asia.

WILL WARN HITLER

In his speech Chamberlain is expected to warn Hitler and Mussolinia that although Britain intends to continue her search for peace, she intends to win any war into which she may be forced.

He had been rebuffed at every turn in his appeal for some concession from the continental dictators which would encourage British people to hope that Europe's peace might be preserved.

It was reported today that he had now determined to advise Hitler that any sweeping demands the Nazis might make would be received coldly in London.

There had been a remarkable demonstration of the long-awaited stiffening attitude of the British Government toward the dictators. Mussolini had taken the newspaper headlines with his calling up of army reservists. There were excited rumors concerning demands that Hitler might make in his Reichstag speech on Monday night—one even that he would demand the repayment of the approximately $10,000,000,000 which pre-Nazi Germany had paid in war reparations.

Meanwhile Nationalist troops, driving an apparently disorganized republican army into a trap at the French border along the Mediterranean, occupied Caldetas and pushed on to Arenys de Mar, on the coast twenty-five miles north of Barcelona.

The Nationalist shock troops were blasting a path up the two main Catalonian north-to-south highways with tanks, armed cars and bombing planes.

NO CHANCE TO REFORM

Their progress was so swift that they gave the republicans no chance to reform their lines and make a stand.

The Moors and Legionnaires of the Moroccan Corps, the most seasoned fighters of the nationalist army, were selected for the task of mopping up all Catalonia and leaving the republicans isolated and virtually surrounded in the small area which they hold in South Central Spain.

In the northward advance along the coast, the nationalists had advanced more than twenty-five miles from Barcelona, passing the line which the republicans had selected for their first stand north of the city. They were thirty-two miles from Gerona, which had been selected as a temporary republican capital, and only about fifty miles from the French frontier.

While the nationalists were driving along the coast, another force was pushing steadily eastward toward the inner Barcelona-Granollers-Puigcerda highway. An official announcement said they dominated Granollers and were continuing their advance, twenty-five miles north of Barcelona.

"FIGHT TO DEATH"

On the loyalist side, Premier Juan Negrin broadcast a speech to the people saying that the loyalist

OK

Hitler Will Broadcast On Reich Anniversary

BERLIN, Jan. 28 (AP).—Chancellor Hitler, celebrating six years of victory and surrounded by nazi pageantry, on Monday will tell a waiting world from the reichstag rostrum where Germany stands in the stubborn European struggle for power.

Great importance is attached to the event because it comes in the very middle of what appears to be a momentary veering of German political interest from eastern Europe to western Europe and Africa.

Hitler will speak at 8 p.m. (1 p.m., central standard time), in the red-draped, flag-bedecked Kroll opera house to the world's largest parliament—855 deputies—on the sixth anniversary of the nazi reich, and at 11 p.m. he will review from his chancellory balcony a repetition of a jubilant torchlight parade staged by the nazis on their hour of victory Jan. 30, 1933.

REBELS PRESS FLEEING FOES

Anchor Town of Loyalists' New Defense Line North of Barcelona Taken

BARCELONA, Jan. 28 (AP).—Insurgent forces bent on conquest of the last corner of Catalonia reported tonight they had captured Arenys de Mar, coastal anchor of the government's new line, almost without firing a shot. Arenys de Mar is twenty miles northeast of Barcelona.

Insurgents said the government opposition could be called genuine military resistance only by courtesy. They said the Catalonian defense actually had collapsed with the fall of Barcelona on Thursday, the government's greatest civil war defeat.

Caldestas, just southwest of Arenys de Mar, also was reported to have fallen to the thrust along the Mediterranean, the success of which caused optimistic insurgents to believe all Catalonia might be theirs in another week.

A week ago the government was holding what was considered to be a strong defensive line twenty-five miles west and south of Barcelona. It caved in Sunday.

Loyalists Retreating Fast

The government troops retreated so fast in many sectors, the insurgents said, that Generalissimo Franco's advance guards were unable to keep in contact with their enemy.

The government army was equal in numbers to the insurgents—about 300,000 men—but, lacking arms and ammunition, it was being rolled back toward France.

Accentuating that lack was the government's loss of the Barcelona-Sabadell-Mataro triangle, a 175-square-mile area north of Barcelona, which was the heart of the government's munitions industry.

Even in central and southeastern Spain, the other segment of Spain in government control, government forces were giving ground, the insurgents said, and all the gains made in the last three weeks by the government's Estremadura campaign were wiped out.

Breadlines had been organized in Barcelona to function with drill-like precision for the relief of the hungry among the 1,500,000 people who remained in the former government capital when it was captured.

Needy Fed Two Meals

The needy were fed two meals of bread and milk today and thanked insurgent benefactors with shouts of "Arriba Espana!"—the insurgent war cry which means "Spain Arise!"

Thousands thronged the Barcelona subways carrying loaves of bread and cans of milk. Barcelona had been on war rations for weeks while the insurgents were pushing to the city. Soldiers guarded today's food distribution to prevent the populace from storming supply centers.

Fragmentary reports from northeastern Catalonia said Dr. Juan Negrin, head of the government which fled Barcelona, held a cabinet meeting at Figueras, about eighty miles from Barcelona and fifteen miles from the French border.

Observers expected the war to drag on in central Spain toward an inevitable government defeat. The almost certain conquest of Catalonia would enable Franco to turn to the Madrid, Valencia and other fronts with 300,000 additional men.

PREMIER URGES DICTATORS' AID IN PEACE CAUSE

Chamberlain Declares 'It Is Time for Others' to Ease the Strain

CITES F.D.R.'S WARNING

He Agrees Democracies Must Resist 'Demand to Dominate World by Force'

Text of Chamberlain's Speech Is Printed on Page 4 of Section 4.

BIRMINGHAM, England, Jan. 28 (AP).—Prime Minister Chamberlain tonight called upon Europe's dictators by implication to make their contribution to world peace.

He warned against a danger he said already had been envisaged by President Roosevelt—"a demand to dominate the world by force" which "the democracies must inevitably resist."

"It is time now that others should make their contribution to a result which would overflow with benefits to all," he said. "Today the air is full of rumors and suspicions which ought not to be allowed to persist."

Critical Week Ahead

The prime minister, speaking at a home-town dinner given by the Birmingham Jewelers' association, looked ahead to a critical week which may show plainly whether the world is moving toward war or peace.

He paid a markedly warm tribute to Premier Mussolini, of Italy, without whose co-operation during the September war scare he said "I do not believe peace could have been saved."

His only reference to Reichsfuehrer Hitler was in a mention of the British-German peace declaration signed at Munich Sept. 30, the day after Czecho-Slovakia was dismembered.

After noting the desire of British, French, Italian and German peoples to live at peace, the prime minister added significantly:

"I do not exclude the possibility that these feelings of the people may not always be shared by their governments and I recognize that it is with governments and not peoples that we have to deal."

Acknowledges Fears Exist

Chamberlain acknowledged the existence of widespread fears about the intentions of Europe's totalitarian leaders—fears which he said "ought not to be allowed to persist.

"For peace could only be endangered by such a challenge as was envisaged by the president of the United States in his New Year message, namely, a demand to dominate the world by force.

"That would be a demand which, as the president indicated and I myself have already declared, the democracies must inevitably resist.

"But I cannot believe that any such challenge is intended."

Chamberlain urged his hearers to "go forward to meet the future with the calm courage which enabled our ancestors to win through their troubles a century and a quarter ago"—in the Napoleonic wars.

The strain of present-day government, he said, could be borne only by "a young fellow like myself."

To his audience of businessmen he admitted that "a certain amount of political tension in international affairs * * * undoubtedly is holding back enterprise."

And in what was interpreted as an invitation to Hitler to be conciliatory in his Monday speech before the German reichstag Chamberlain added:

"I feel that it is time now that others should make their contribution to a result which would overflow with benefits to all."

O. K.

Loyalists List Assets, Say Spirit Is Stronger

LONDON, Jan. 27 (AP).—The Spanish government embassy today interpreted the fall of Barcelona as strengthening rather than weakening the government's determination to resist the insurgents.

An official statement asserted that the government of Premier Juan Negrin still controlled:

First—An army of approximately 700,000 men.

Second—A navy of three cruisers, thirteen destroyers, seven submarines, five torpedo boats and two gunboats, all "functioning in perfect order."

Third—The island of Minorca, in the Mediterranean, with a naval base superior to that on nearby insurgent-held Mallorca island.

Fourth—Eleven out of Spain's twenty-two provincial capitals.

Fifth—Five hundred miles of coast line, with the ports of Almeria, Alicante, Valencia, and a first-class naval base at Cartagena.

Sixth—More than 10,000,000 population, including 3,000,000 refugees. (A 1930 census gave the total population of Spain as 23,563,000.)

FRANCE TO GET U.S. AID IN AIR

Clark Charges 'Alliance' at Word F.D.R. Has Approved the Sale of Warplanes

WASHINGTON, Jan. 27 (AP).—With the approval of the Roosevelt administration, much of America's skill in building warplanes has been placed at the disposal of France.

This disclosure, made by President Roosevelt today at a time when a new war crisis appeared to be in preparation in Europe, created a stir of interest on Capitol Hill.

From within the mandatory neutrality bloc came rumblings of dissent. Senator Clark (dem., Mo.), a moving spirit in that bloc, announced he would try to get congress to prevent sales abroad of newest type American military planes.

"American People Should Know"

The administration's course, he complained, seemed to "line us up with France." If there is to be such an "alliance," he declared, "the American people should know about it."

Mr. Roosevelt disclosed that the sales of planes had been given formal consideration at a cabinet meeting. Inasmuch as a number of private American factories are now idle, he said, it was considered an excellent idea for them to take the foreign orders, and thus begin operating and be ready to get started promptly on the large orders expected to be given them later by the United States government in behalf of its own air services.

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REFUGEES PUSH TO THE BORDER; TERROR GROWS

Many Killed in Figueras by Bombers—French Confer on Haven for Hordes

By the Associated Press.

PERPIGNAN, France (At the Spanish Frontier), Jan. 27.—Insurgent warplanes believed to be hunting the new headquarters of the Spanish government today carried out three shattering raids on Figueras, where hundreds were reported killed or injured.

The government cabinet, in flight from fallen Barcelona, was "somewhere in Gerona province" and the insurgent air raiders evidently thought that meant Figueras, refugee-crowded town fifteen miles from the French border.

The raids spread renewed fear among the refugees and started a panicky flight toward the French frontier. Even as the bombs crashed into the outskirts of Figueras, hundreds raced for trucks and started north.

Tens of thousands of other refugees were moving toward the frontier before the steadily advancing insurgent armies. French border guards stood at barricades to prevent a mass influx.

Ministers Scattered

The government's ministers were reported to be scattered throughout Gerona province, between Barcelona province and France. Some reports said that even the ministers themselves did not know where their colleagues had set up offices.

According to the best information available, Premier Juan Negrin and Foreign Minister Julio Alvarez del Vayo were at Figueras and the war ministry at Gerona, twenty miles south of Figueras. Other ministries were reported at Olot, twenty miles northwest of Gerona.

There seemed little possibility that the government ministers would try to move back to central Spain and set up headquarters again either at Madrid or Valencia—at least until after it should become apparent that government troops in the northeast could no longer hold out.

(At Madrid Col. Casado, commanding the central front, declared the war would go on regardless of the outcome in Catalonia.)

Spanish government officials warned the French tonight that if some arrangement is not made to care for refugees at once in a safety zone, fear-tortured hordes might get out of control and storm French frontier barricades.

More than 100,000 of the refugees from Barcelona and southern Catalonia have invaded small towns of northeast Spain still held by the government. Even before the invasion, these little villages were hard-pressed to feed their own populations.

Franco Opposed to Haven

An official announcement from Burgos, insurgent capital, said Gen. Franco's regime was unalterably opposed to creation of a neutral refugee zone on the French-Spanish frontier.

French officials conferred on plans for relief of Spanish refugees. The French ambassador, Jules Henry, was in Figueras.

Some refugees had fled from Barcelona with nothing more than the clothing on their backs. They had little to eat. As one refugee said, "In France there is cream; in Spain there isn't even milk."

The problem grew more acute by the hour as the steady insurgent advance swept more and more refugees toward the frontier. Border reports said the insurgents had already advanced four miles beyond Badalona, on the coast six miles north of Barcelona.

Indictment

NEW YORK, Jan. 27 (AP).—The defense in the second policy racket trial of James J. ("Jimmy") Hines sought today to show that policy gambling had continued in New York City long after the indictment of the veteran Tammany district boss.

District Attorney Thomas E. Dewey

'NEW MUNICH' IS FEARED

Drumfire of Propaganda on Germany and Italy Backs Defense Plans

MIGHT IN WAR STRESSED

Broadcasts Timed to Block Fascist Plans to Profit by Franco Victory

LONDON, Jan. 27.—Great Britain and France today welded new political and military weapons for any possible test of strength with the Rome-Berlin axis arising from insurgent successes in Spain.

Britain named a new director of mobilization, Gen. H. O. B. Wemyss, who presumably will map a complete program for calling land, sea and air forces into action if necessary. The nature and extent of his duties remained an official secret.

The French cabinet had before it proposals to summon additional army reservists and increase the length of military service.

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Radio Appeal Made to Reich

Standing in front of military preparations was a direct radio appeal to Chancellor Hitler and the German people to banish "the specter of war and enmity between nations." The appeal was made by eighteen of the most prominent British leaders outside political life and was broadcast in German over facilities of the government-controlled British Broadcasting corporation.

FRANCE TO GET U.S. AID IN AIR

Clark Charges 'Alliance' at Word F.D.R. Has Approved the Sale of Warplanes

WASHINGTON, Jan. 27 (AP).—With the approval of the Roosevelt administration, much of America's skill in building warplanes has been placed at the disposal of France.

This disclosure, made by President Roosevelt today at a time when a new war crisis appeared to be in preparation in Europe, created a stir of interest on Capitol Hill.

From within the mandatory neutrality bloc came rumblings of dissent. Senator Clark (dem., Mo.), a moving spirit in that bloc, announced he would try to get congress to prevent sales abroad of newest type American military planes.

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In Paris informed circles said the French cabinet would take up tomorrow proposals to add three months to the two-year term of obligatory military services. Also to be considered, it was stated, was the calling to duty of some special army reservists. These suggestions were said to have resulted from Italy's calling up of 60,000 reservists Wednesday.

In addresses and publications British ministers emphasized the nation's resurgent military might.

Sir John Simon, chancellor of the exchequer, declared tonight at Durham that "formidable as our gun power is," there are other factors of great importance, especially Britian's financial strength, which "so often has been a decisive influence and remains as important a weapon of defense as ever before."

Sir Samuel Hoare, home secretary, started the campaign last night, asserting at Swansea:

"When I say that this great country and this great empire can never be defeated I am not playing with phrases or using rhetoric for effect. I am stating a fact."

More Planes Promised

Air Minister Sir Kingsley Wood opened a new aircraft factory at Reading with the declaration that increasing production facilities probably would enable Britain to treble her supply of warplanes. Earl Stanhope, first lord of the admiralty, wrote in Home and Empire that Britain was building naval craft at the rate of one a week.

The radio appeal to Hitler and the German people, by Montagu Norman, governor of the Bank of England, Poet Laureate John Masefield, and sixteen others, was believed to have been designed to influence Hitler's speech to the Reichstag Monday night.

At the same time the British Broadcasting corporation increased its nightly news broadcast in German from fifteen minutes to thirty. This broadcast was started during the September crisis in a determined effort to get a news report to the German people.

OK

'Hands Off', Hitler Warns Democracies

Declares Germany's 'Dream Of Centuries' Came True Under Nazism.

(Compiled From Associated Press and United Press Cable Dispatches.)

BERLIN.—(U. P.)—Fuehrer Adolf Hitler told the Reichstag and the world tonight that Germany's "dream of centuries has come true" under six years of Nazi rule.

Hitler declared that Germany in the future "will not tolerate that Western States should attempt to intervene in certain matters that concern only us in order that thereby they might prevent certain natural and reasonable solutions."

The Fuehrer's warning appeared to be directed at the great democratic powers, which have been vigorously criticized by the Nazi press in attacks recently directed chiefly at the United States.

Nazi Germany will drive ahead with new tasks each year, Dr. Paul Joseph Goebbels, minister of propaganda, said today in sounding the keynote for the seventh year of Nazism, as Germany and Europe await a speech by Fuehrer Adolf Hitler.

"We see our Reich today respected—or, at least, feared," Goebbels, Nazi No. 3, said in a radio speech to millions of school children who heard him in classrooms all over Germany through loud speakers.

"When our Fuehrer came to power anarchy raged. A Bolshevist revolution might have broken out at any moment. The anxieties of those times are finally forgotten. Today's anxieties will similarly be forgotten soon. Yet anxieties will still continue, because each year we will have new tasks to fulfill.

"Our national recovery has been built on the strength of the people. Formerly we believed in the Kaiser and kings. But we failed to see the strength which rests in the people."

Goebbels' speech to the children was the first event on a crowded calendar, commemorating the sixth anniversary of the Nazi Reich.

Eighty million Germans, and the 550,000,000 people of Europe generally, awaited the speech of Hitler which was to be the climax.

RUMORS OF ALL SORTS

Rumors of all sorts flashed across the Continent—that Hitler would announce eunqualified support of Benito Mussolini in his demands on France for satisfaction of Italy's "aspirations"; that he would demand again the restoration to Germany of her colonies; that he might even open a campaign for repayment, in some form, of $10,000,000,000 paid in World War reparations by pre-Nazi German Governments; that he would outline a long-range foreign policy, including his ambitions for a "drive to the east"; that he would deliver a blast against President Roosevelt, members of the United States Senate and Secretary of the Interior Harold S. Ickes.

Perhaps not more than half a dozen men knew exactly what Hitler intended to say—and his speech as usual was subject to revision up to the moment he took the platform at the Kroll Opera House to address the 855 members of his hand-picked Reichstag.

As to the general aspect of his speech, reliable Nazi sources expressed belief that he would refer as a matter of fact to his general support of his fellow dictator Mussolini; that he would take occasion to mention Germany's determination at some time to regain her colonies; that he would emphasize the solidarity of the 80,000,000 people of Germany; that he would review the triumphant year through which the Nazis have just lived, absorbing Austria and the Sudetenland, and, incidentally, daring Great Britain and France to block their way.

It was understood that an influential group, including Paul Joseph Goebbels, Propaganda Minister, and Joachim von Ribbentrop, Foreign Minister, had urged Hitler strongly to reply to President Rooseevlt and other American critics of the European dictatorships. Such men as Goebbels and Ribbentrop, it was asserted, advised Hitler that he ought to refute emphatically statements made by foreign critics, and notably by the President—but that as usual they were opposed by Field Marshal Hermann Goering, Nazi No. 2, and other so-called "conservatives," who wanted Germany's relations with foreign countries built up in the interest of the four-year plan of economic self-sufficiency.

The big day of the Nazi year, the anniversary of Hitler's rise to power, opened at 8 a.m. with the blare of thousands of military bands in cities and villages—aptly called the "great awakening," as sleep was impossible thereafter.

The bands paraded extensively, playing martial airs calculated to rouse the people to proper spirit.

The first formal event was the speech by Goebbels to children of the entire country.

Next came the presentation by Hitler, at his colossal new chancellery, of "national prizes for 1938." The Nazis boycott the Nobel prizees because a peace award was made to the late Carl von Ossietsky, German pacifist.

In the evening was the Reichstag meeting, then at 11 p.m. a gigantic torchlight parade—in Berlin through the Brandenburg Gate and past the chancellery in the Wilhelmstrasse, with Hitler taking the salute. This had been a purely Nazi Germany in past years; it was reported that this year the armed forces would take part as a symbol of "solidarity" in keeping with a most important if little publicized campaign in recent weeks.

PORTENTOUS WEEK

Hitler's speech will usher in a portentous week in Europe.

Tomorrow in London, British Prime Minister Chamberlain will face a foreign affairs debate in the House of Commons, probably on what Hitler says today.

In Rome, Wednesday, Italian Premier Mussolini will add his voice to the "war of words" that may foretell Europe's future.

So vital was Hitler's address considered to the shaky European peace framework that Chamberlain delayed writing his own parliamentary speech until he could hear it.

SPAIN IN BACKGROUND

Behind Europe's uneasiness was Spain, where Generalissimo Francisco Franco's Insurgent forces struck from three directions on new Government lines and predicted they would complete the conquest of Catalonia within two weeks.

Along the French frontier of Spain, refugees from the Government's dwindling share of Catalonia clogged the roads in seeking haven in France. French authorities said at least 40,000 had crossed the border since Barcelona fell to the Spanish Insurgents last Thursday.

It was reported that President Manuel Azana of the Loyalist Government plans to seek refuge on a foreign warship.

SIAMESE PLOT

A plot to overthrow Siam's 13-year-old King Ananda, allegedly to bring back his uncle, former King Prajadhipok, was stamped out in Bangkok with widespread arrests and "retirement" of more than fifty high army officers. One officer was killed and another committed suicide.

In Tokyo, Japanese Premier Kiichiro Hiranuma and Foreign Minister Hachiro Arita disclosed that the German-Italian-Japanese anti-Communist pact would be strengthened. This was their answer to questions in the Parliament whether it would be converted into a military alliance.

Such a project had been reported considered and temporarily shelved by a meeting in Paris of six Japanese diplomats from European capitals. Hiranuma and Arita said it was "impossible at present to disclose what steps are contemplated."

SOLDIERS FLEE ACROSS BORDER DESPITE GUARD

Militiamen Refuse to Retu to Spain—Ignore the Gun of Guards at Frontier

FRANCE RUSHES TROOP

40,000 Bewildered Refugee Reach Safety—Advance of Franco Is Not Checked

By the Associated Press.

PERPIGNAN, France, Jan. 29.—The French government rushed additional troops to the Pyrenees border today to enforce its order to turn back all Spanish government soldiers among the flood of refugees streaming into France.

The French and Spanish government authorities appeared to be winning a slow battle in their frantic fight to restore some semblance of order in the border zone where 40,000 refugees were reported to have fled into France since the surrender of Barcelona Wednesday.

Of these, French officials said, at least 10,000 were soldiers from the government army who joined the great mass of bewildered, destitute civilians.

The number of French troops on the frontier endeavoring to hold the tide of defeated Spanish soldiers was estimated at 7,000, of whom 3,000 were brought up today.

Refuse at Gun Point

The toughest problem faced by the French troops was what to do with 1,000 government militiamen who surrendered their arms in mountain passes near Prats de Mollo, but refused bluntly to return to Spain, even at gun point.

Outnumbering their guards ten to one, they merely hiked down to railroad stations and clambered aboard trains moving refugees into the French interior.

At Le Perthus and Cebere mobile guards turned back a few hundred militiamen, but the same men trudged stolidly into the mountains and turned up later at other points.

At most places the fighting men were given twenty-four-hour permits, but thousands of the passes expired and the men still remained in France. The Paris order to send them back into Spain stood, but could not be enforced.

Spanish carabineros at their side of Le Perthus pass accomplished the Herculean task of clearing one road lane for the movement of foodstuffs into Spain.

They ditched thousands of abandoned automobiles and wagons which had the road blocked for eight miles. The vehicles had been left behind by refugees who found they could reach the border faster on foot.

JAPANESE SHELVE PLAN FOR ALLIANCE

Await Developments Before Signing Outright Military Pact With Rome, Berlin

PARIS, Jan. 29 (AP).—A project for an outright military alliance among Japan, Germany and Italy was reported today to have been shelved "temporarily" by a conference of six Japanese diplomats in Paris.

Sources close to the Japanese embassy said the Tokyo government had notified the diplomats it would make its decision according to their recommendation.

Both Chancellor Hitler and Premier Mussolini were said to have been pressing for action so they might take it into account in their speeches this week.

The diplomats were represented as having differed widely over the advisability of concluding such an alliance immediately.

The ambassadors to Berlin and Rome were reported strongly in favor of immediate action, while their colleagues from four other capitals insisted the project would fail to benefit Japan.

The only agreement reached in the conference was to postpone further discussion until the European situation should become clearer.

The conference was called at the suggestion of Toshio Shiratori, ambassador to Rome, and Gen. Matahiko Oshima, ambassador to Berlin, who met recently at San Remo, on the Italian Riviera.

Both of these ambassadors were said to favor the immediate signing of an outright military alliance to supplant the present anticomintern pact, which they helped to negotiate.

Other diplomats at the Paris conference, however, were said to have declared that Japan would only increase the hostility of the United States and Great Britain in signing such an agreement. They were reported also to have held that Japan should abstain strictly from interfering in European affairs.

Third Five-Year Plan Is Outlined by Russian

MOSCOW, Jan. 30 (AP).—Vyacheslaff Molotoff, chairman of the council of people's commissars, outlined the third five-year-plan today, declaring the soviet union could and must "overtake and surpass in economic sphere the most developed capitalist countries of Europe and the United States."

The outline, to be delivered March 10 before the congress of the communist party, was published by the party organ Pravda. The plan was started last year and, as Molotoff put it, is carrying the soviet union into the "transition from socialism to communism."

The program was marked by continued emphasis on heavy industry, manufacturing for defense and scheduled increased in production of consumer goods.

Molotoff wrote that the preceding five-year plan had fulfilled its historic purpose—the elimination of "all exploiting classes"—and had accomplished "the most difficult task of the socialist revolution—collectivization of agriculture."

In the second five-year plan, Molotoff wrote, the production of consumer goods was doubled.

s director of the county health epartment was to be chosen at a leeting of the county board of ealth, starting at 3 p.m. Tuesday.

The new county health chief will not be from Hamilton County, it was learned Tuesday.

Dr. Eldridge resigned on Friday night after an ultimatum delivered by Dr. W. C. Williams, State health director, that Dr. Eldridge either must quit as head of the county health department or the State health department would contrib ute no more funds to the loca unit.

At the request of Dr. Williams Squire C. E. Camp Saturday calle meeting of the county health

(Compiled From Associated Press a

Prime Minister Neville Chamberlain called on European nations tonight to consider a halt in the arms race and hold a general conference to assure peace.

In a speech to the House of Commons replying to Fuehrer Adolf Hitler's speech of last night, Chamberlain told the House that the "huge resources" and the alliances which Britain has with other countries, especially France, would assure victory in the event of a new European war.

However, Chamberlain interpreted Hitler's speech as one indicating a desire for peace and said:

"I very definitely got the impression that it was not the speech of a man who is preparing to throw Europe into another crisis. There are many passages in the speech which indicated the necessity of peace for Germany."

During the question hour earlier, Chamberlain had said he was not contemplating negotiations with Germany "in the near future," but in his formal speech during the general debate he extended to other nations a plea to show their emphatic desire for peace and thus make a conference possible.

NOT MERELY WORDS

"What is wanted," he said, "is not merely words which indicate a desire for peace. What is wanted is willingness to enter into arrangements for, if not disarmament, at least limitation."

Then he amplified his point that such a conference would be futile unless the nations entering into it are determined on its success. Referring to his recent remark that there are no questions arising between nations, however serious, which cannot be settled around the conference table, he said:

"I repeat that now, but it is no use having a conference to secure a peaceful settlement unless it is certain that all who attend want a peaceful settlement."

"It is untrue to say that the policy of appeasement has failed," he declared.

"On the contrary I maintain that the policy of appeasement is steadily succeeding."

Europe, meanwhile, was cheered by Hitler's Reichstag speech, containing his implied willingness to settle his colonial demands by negotiation.

At the same time Hitler was voicing his demand for colonies, Earl Baldwin, former British prime minister, warned that it would be a "dangerous illusion" to imagine Britain was afraid to fight.

He declared in an address to a Worcester women's national service recruitment meeting that if war should come "we will fight with a unanimity never seen before."

With Italian agitation against France for colonial concessions Europe's major problem, Mussolini will speak tomorrow. Hitler's declaration that "I believe, however, in a long peace," more or less tossed the question into the lap of the Italian premier.

STATESMEN RELIEVED

British and French statesmen were relieved that the German chancellor hinted the return of Germany's war-lost colonies without force would be his chief aim for 1939.

Both London and Paris interpreted his emphasis on economic difficulties as an indication Germany needed peace to consolidate the territorial gains she made in 1938 through the annexation of Austria and Czechoslovakia's Sudetenland.

In Italy the speech brought joy because of Hitler's promise to fight for Italy if an ideological war were launched against her.

Millions throughout Europe, from diplomats to peasants, listened to rebroadcasts of the speech. Poor reception prevented it from being heard widely in Soviet Russia.

The reaction in the principal capitals was:

LONDON—There was evident relief in government circles that Hitler made no war threats. His demand for colonies had been expected and Britain was reassured by his statement he would not go to war for them.

Britain was expected to open negotiations for restoration of some colonies when and if Hitler would give a "definite" guarantee of peace.

Some concern was felt over his threat of a possible trade war and his promise to back Italy in case the latter is attacked.

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Tells Hitler Britain Has Strong Allies

Most of Europe Cheered By Moderation of Fuehrer's Speech.

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PARIS—A government spokesman called the speech mild, while Foreign Minister George Bonnet said it was "much more moderate than expected."

A foreign office spokesman expressed the belief Hitler's reference to supporting Italy meant hardly that Germany would support her ally if Mussolini ordered an attack on France.

ROME—Jubilant Fascists said the

nd United Press Cable Dispatches.)

speech showed the Rome-Berlin axis to be more solid than ever, and that the two-sided diplomatic lations with Latin-American nations were no concern of the United States. They pointed out that Germ instrument promised "justice" for Italy as well as Germany.

Hitler's promise to stand by Italy in war waged against her was interpreted in Italian newspapers as tantamount to a military alliance. The newspaper Il Popolo di Roma commented:

"The French were awaiting a reply to the question more or less openly asked lately in their press polemics—what will Hitler do if . . . ? The answer so anxiously awaited and so variously prognosticated has been given. And it could not have been clearer."

WASHINGTON—Increased German competition with the United States for South American trade was expected by Federal officials to result from Hitler's speech.

Commercial experts disputed Hitler's contention that Nazi trade remany's trade is on a barter and artificial currency basis, and declared this in general has the effect of diminishing the total of international trade.

They contended also that Germany's foreign trade, being controlled by the Nazi government, was a means of exerting political influence and therefore could not help but be of concern to the United States in this hemisphere.

State Department officials made no public comment on Hitler's address, which contained more references to the United States than he had made in previous speeches.

The belief was widespread in diplomatic and other official circles, however, that relations between Germany and the United States might continue to be strained for some time. There is at present no prospect that the German and American ambassadors now at home, will be permitted to return soon to their posts.

THE HAGUE—There was widespread relief throughout the Netherlands at Hitler's assurance of peaceful intentions toward that country.

BUDAPEST—The speech was welcomed throughout the Balkans and southeastern Europe. Hungary, now a member of the anti-comintern pact with Germany, Italy and Japan, was relieved that no territorial or other demands were made upon her and was pleased by Hitler's references to Hungary.

BUCHAREST—Rumania, fearful that the Germany chancellor is eyeing her rich oil fields, was happy that he made no threat in her direction. "He will leave us alone for a while and work elsewhere" was the general reaction.

MORE FRENCH TROOPS

Meanwhile, 5,000 more French troops were sent to the Spanish border, increasing the frontier guard to 12,800 men overnight and causing reports that the entire frontier would be placed on a virtual war footing, guarded by 50,000 troops.

Official confirmation of France's intention of putting the frontier under a "war basis" could not be obtained, but a French officer predicted that it would be done in either of two cases:

Firstly, if the Nationalist advance brings Italian troops to the French border.

Secondly, if rumors of Italian intentions of putting a landing party ashore at a point on the Spanish Loyalist coast materializes.

The present forces guarding the border to control the thousands of hungry, terrified refugees swarming in from Catalonia border towns and passes across the Pyrenees consists of 2,000 Sengalese, 3,000 infantry from Narbonne and Montpelier, 1,000 motorized cavalry from Limoges, 1,800 mobile guards, 2,000 hussars from Tarbes and 3,000 infantry from Albi.

REFUGEES HOSTILE

The troop movement was precipitated by the increasing hostility of fleeing Loyalist soldiers, who objected to being disarmed. Many of them struggled with French guards for possession of their guns.

Meanwhile, the Ministers of Health and the Interior arrived from Paris to supervise the handling of refugees and the frontier was closed temporarily at Perthus, the main point of entry through the Pyrenees Mountains, after 18,000 refugees had crossed.

The total number of refugees already admitted was estimated at 30,000, and arrangements were made to admit 25,000 more in the next two days.

On the Spanish side, countless thousands were camped along the roadsides, exposed to cold, rain, and with little or no food. Twelve women among them died yesterday and nine women and children last night, all from hunger and exposure.

NAZIS RENEW BID FOR LANDS

Drive for Trade Is Also Seen as Hitler Waits for Effect of Speech to Sink in

BERLIN, Jan. 31 (AP).—The nazi press tonight inaugurated a campaign for German colonies as Chancellor Hitler studied Prime Minister Chamberlain's demand for deeds, not words, in favor of peace.

Taking its cue from the fuehrer's reichstag speech of Monday in which he demanded colonies, the newspaper Boersen-Zeitung said "Our demands are so just and so long overdue that they do not admit a 'deal.'"

News of the British prime minister's speech was displayed prominently in all Wednesday morning newspapers, but comment in the early night editions was brief and in general terms. One official spokesman said the text still was engaging the close attention of the foreign office.

The Deutsche Allgemeine Zeitung contented itself with saying Chamberlain's speech had made a favorable impression, especially that part rebuking war-scare mongers.

Export Drive Renewed

Chancellor Hitler's financial lieutenants, accustomed to taking cues quickly from their leader, started studying German export possibilities while the fuehrer himself sat back well pleased with the world echo to his reichstag speech.

Germany must "export or die," Hitler told the reichstag members and the world last night, advising the United States not to interfere when Latin America is included in efforts to bolster German economy.

Prior to the appearance of the Wednesday morning newspapers, the emphasis on exports seemed to trained observers to be an indication that Hitler's plans for regaining the war-lost German colonies have not been perfected sufficiently to place the colonial issue in the foreground.

ROOSEVELT SAYS PLANE SALE AID TO DEMOCRACIES

SENATE BODY INFORMED

No Army Secrets Given in Dealing With France, President States

TAKES RESPONSIBILITY

Asserts Exports Help Make Jobs Here and Build Up Defense Industry

By the Associated Press.

WASHINGTON, Jan. 31. — President Roosevelt swore the senate military affairs committee to secrecy today and then informed it, according to reliable sources, that America was selling military airplanes to France because helping the democratic nations of the world was part of the present American foreign policy.

The chief executive later told newspapermen that in making such sales no military secrets were divulged. The transactions, he added, had the double purpose of reducing unemployment and helping idle aircraft factories through an experimental period of mass production in preparation for the big domestic rearmament program that lies ahead.

For nearly a week, the committee had been investigating deals reported to involve the sale of some $65,000,000 worth of privately manufactured aircraft to France. It had received testimony that government officials had co-operated with a French mission sent here to buy planes from American factories.

Roosevelt "on the Stand"

Today Mr. Roosevelt invited the entire membership to the White House to hear his version of the transaction. It was, in effect, a continuation of the investigation, conducted in the president's own office. Mr. Roosevelt, it was said, simultaneously presided and took the "witness chair."

Although those present were sworn to secrecy, what took place was not a secret for very long. It was apparent, first of all, that members of the committee who had criticized the transaction were still critical, although the president told newsmen that he thought every one was satisfied. In addition, there was obviously a row brewing over whether the investigation should be continued or dropped at once.

Affable and genial throughout the session, the president was said to have told in detail how the transaction was arrived at, and to have emphasized not only the foreign policy aspect but also those of unemployment and rearmament here.

At one point, he turned to the question of nazism in Latin America, it was reported. He expressed concern and said that increased trade with the Latin-American nations should be encouraged to offset it. Senator Reynolds (dem., N. C.) interrupted, objecting to what he called communism and seizure of oil wells in Mexico, and demanding that the United States take steps to offset that. The president replied that this government was studying that question and reminded Reynolds that Mexico had promised to pay for the oil wells.

FIGHTING ADDRESS BY DUCE AWAITED

20,000 Blackshirts Encamp for Celebration Today—Nazi Pledges Hailed

ROME, Jan. 31 (AP).—Twenty thousand blackshirt troops encamped in Rome tonight in expectation of a fighting speech from Premier Mussolini. Fascists felt Adolf Hitler had strengthened Italy's hand in her colonial demands on France.

Il duce is expected to speak tomorrow in a celebration of the founding of the fascist militia sixteen years ago, but it was thought by some he would wait until the fascist grand council meets on Saturday. Today he and Hitler exchanged telegrams reaffirming Italian-German friendship, and a statement from official quarters declared Hitler's reichstag speech pledging support if Italy were attacked showed the "unshakeability of bonds between Italy and Germany."

Colonial demands of the two nations "will dominate a large part of European history in the near future," Virginio Gayda, authoritative fascist spokesman, wrote in Il Giornale d'Italia.

"Solidarity between Italy and Germany can develop whenever it might be assailed by any reckless foreign aberration into an armed alliance," Gayda wrote, "ready to let loose an ever ready mass of 125,000,000 men powerfully armed and spiritually fired."

When the Italian and German colonial demands would reach the crisis stage, however, was unpredictable. Some observers thought they might be pressed after a final insurgent victory in Spain.

Mussolini's speech is expected to glorify 3,045 blackshirts who were killed and 6,390 wounded in the Ethiopian and Spanish wars. It is anxiously awaited, however, for an indication of his intentions this year.

MUSSOLINI SILENT AS TROOPS REVIEW

Speech Expected to Follow Those of Chamberlain and Hitler Is Not Made

ROME, Feb. 1 (AP).—Premier Mussolini silently reviewed his blackshirt militia today and kept the world guessing as to his next move in the fascist campaign for concessions from France.

The heavy chatter of machine-gun-fire and a crash of cannon opened the ceremony commemorating the fascist militia's sixteenth anniversary. Il duce distributed medals to survivors of the Spanish and Ethiopian war dead, but refrained from saying even a few words to his followers.

Children in fascist uniforms, including orphans of Italians killed in Spain, marched in review at the head of the 20,000 militiamen.

Italians said that although optimistic notes were apparent in the speeches of Chancellor Hitler and Prime Minister Chamberlain Monday and Tuesday, they saw great difficulties before the European situation could be eased.

Foreign observers had no way of knowing whether Mussolini would discuss his next moves in addressing a closed meeting of the fascist grand council Saturday.

Russia Breaks Ties With Hungary

Anti-Comintern Pact Causes Recall of Envoy

Fascists Retort To U. S. That Their Frontier Is Panama Canal.

(Compiled from Associated Press and United Press cable dispatches.)

An official announcement in Moscow today said the Soviet Union had severed formal direct diplomatic relations with Hungary.

The action was taken because of Hungary's adherence to the anti-Communist accord among Germany, Italy and Japan, the announcement said.

The severance was announced in an official communique which added that the Soviet Union is closing its embassy at Budapest. The Soviet also is asking Hungary to close its embassy in Moscow, the communique said.

ITALY'S "FRONTIER"

Meanwhile, in Rome, the authoritative Fascist editor, Virginio Gayda, said the "defensive frontiers" of the German-Italian axis must extend "to the Panama Canal" as a result of the policies of President Roosevelt.

Writing in the Giornale D'Italia which often speaks for Premier Benito Mussolini, the noted editor said that the extension of the Nazi-Fascist defense front must result from the reported statement of President Roosevelt implying that France is the American defense front.

Mr. Roosevelt's stand was "premediated provocation," Gayda said.

"We do not know what sudden aberration of the mind caused Mr. Roosevelt to make such a declaration before the Senate Military Committee, but it certainly exploded in the very midst of attempts by European statesmen of good will to save the peace," he wrote.

"These declarations appear premeditated and leading to open provocation of war."

Meanwhile, French officials tried to arrange a "border truce" in northeast Spain as Spanish Premier Juan Negrin urged his government forces to make a new stand against the Insurgents.

Informed sources at Perpignan, France, said the French had begun negotiations directly with the Spanish government and indirectly—through Great Britain—with the Insurgents to halt the fighting on terms they considered acceptable to both sides.

Their purpose was to prevent Spanish government troops from being driven across the frontier into France by Generalissimo Francisco Franco's drive to the north. France also moved reinforcements to the front to block by force, if necessary, a stampede of Spanish government forces into France.

Despite the full backing of the Spanish government Parliament (Cortes) for continued resistance, it was believed that negotiations for the truce depended on the outcome of a battle now raging about midway along the eighty-mile line between Barcelona and the French frontier.

ADVANCING RAPIDLY

Insurgent dispatches reported Franco's offensive was proceeding rapidly up the coast. Insurgents reported the capture of Vich, about forty miles north of Barcelona, yesterday.

The Cortes adjourned today after a dramatic meeting in an underground chamber of an ancient fort at Figueras, Spain, after unanimously backing Negrin's determination to continue the war "with all its consequences."

Col. Fulgencio Batista, military and political leader of Cuba, arrived in Mexico for a ten-day visit aimed at strengthening the friendship between the two countries. Whether any business agreement or treaty would result from the visit was not known. Before leaving for Cuba, Batista said he had no plans for a treaty with Mexico, but would listen to any proposal.

JAP OFFENSIVE

In China, Japanese officials warned foreign consuls that an offensive against Lushan Mountain was imminent and advised removal of sixty-five foreigners, including at least a dozen Americans, from Kuling, Summer resort atop the mountain.

Between 4,000 and 5,000 Chinese guerrillas were said to be entrenched on the mountain, fourteen miles south of Kiukiang, Yangtze River port below Hankow. Japanese now encircle it and their outposts are about halfway up its slopes.

ROOSEVELT PLAN TO SELL PLANES TO DEMOCRACIES CAUSES STORM IN SENATE

TERMED 'ROAD TO WAR'

F.D.R. Quoted as Stating War Inevitable, France U.S. Line of Defense

BARKLEY BACKS POLICY

Some Senators Indignant at Secrecy—Nazis Fortifying Pacific Base, Maas Says

By the Associated Press.

WASHINGTON, Feb. 1.—The sale of American warplanes to France stirred up a storm of argument in the senate today as congress weighed the implications of a foreign policy frankly aimed at helping the democracies of the world arm themselves against the dictator states.

While German newspapers denounced President Roosevelt as a leading "war agitator" and applause of the president's attitude was heard in Paris and London, one senator after another arose to condemn the transactions in sometimes tense and bitter language.

They objected that it involved the United States directly in the threatening affairs of Europe, and opposed giving other nations the benefits of American military progress. And, even more severely, they berated the administration for throwing a cloak of secrecy over the transaction.

Senator Johnson Shouts

"Good God," Senator Johnson (rep., Cal.), veteran senate isolationist, shouted at one point, "don't you think the American people have the right to know if they are going down the road to war?"

The administration's course was stoutly defended by Senator Barkley (dem., Ky.), the democratic leader, against opponents who sought constantly to interrupt with replies to his arguments. He contended that there was nothing in the proposed sale of planes to a friendly power that might be expected to carry the country into war.

"We might as well say that the United States Steel corporation could not sell steel to England or France that might later be transferred into some kind of military equipment for use in time of war," Barkley said.

In addition, he held that no revelations of American military secrets were involved, and asserted that the senate's military committee, in holding secret hearings upon the circumstances of the sale, was merely following congressional precedent.

Secrecy Was Pledged

The committee was invited to the White House by President Roosevelt yesterday, and the chief executive, after exacting a pledge of secrecy from the membership, asserted that this country was prepared to sell, not only planes, but other munitions to democratic states so long as they paid for them in cash.

Those who attended were in disagreement as to how far the president had gone in outlining the foreign policy involved. One senator said Mr. Roosevelt had asserted that in the event of a European war, the frontiers of the United States would be in France. This was emphatically denied by another, an administration supporter.

Others quoted the president as having said that in the past England and France were America's first line of defense and that unless America helped those nations now she might lose that first line of defense.

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By the Asso

PARIS, Feb. 2 (Thursday)—France has opened international negotiations in an attempt to arrange an armistice in Catalonia, it was learned in diplomatic quarters today, and at the same time has ordered border troops increased to 50,000 men.

The negotiations were started, it was said, for fear retreating Spanish government troops would be forced onto French soil if the fighting continued.

Premier Edouard Daladier ordered French troops on the border brought up to 50,000 to cope with 250,000 Spanish militiamen who would be swept across the frontier should negotiations for an armistice fail and Generalissimo Franco's advance continue.

The negotiations with Franco, it was reported, were proceeding through British authorities at Burgos, the insurgent seat of government, where France is not represented.

The German and Italian governments, diplomatic sources said, have been informed of the negotiations and have been asked to use their influence to persuade Franco to accept an armistice and give easy terms to those government fighters who would be sent to his territory.

Foreign Minister Georges Bonnet, of France, has received the Spanish government ambassador several times in the last few days and also has conferred with the French ambassador to Catalonia, Jules Henry. Henry returned to Catalonia today.

...ciated Press.

It was understood mass surrender of Spanish government troops in the north was proposed if the armistice is arranged.

Troops in Catalonia which could not be sent back into insurgent territory for any reason would be kept in French concentration camps, or, if France would give permission, would be sent to central Spain, where the government still is holding nearly a fourth of Spanish territory about Madrid and Valencia.

The French government also has asked other governments to share the expense of keeping government fighters in camps in France to the end of the war.

Whether the Spanish government would accept such a plan remained to be seen. It was known that French officials had impressed them with the "futility of further bloody resistance" in Catalonia, which is cut off from the rest of government territory.

The French government has notified both Spanish sides and foreign governments that it cannot allow a mass retreat, possibly under fire, into France.

The danger to public order of such a large number of men with arms and the enormous expense of controlling and feeding them was cited.

The plan of manning the frontier was called "disposition No. 1," and many of the 50,000 French troops already had arrived at their frontier stations early today.

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France Seeks an Armistice; Fears Retreat Over Border

Negotiates With Franco to End Civil War in Catalonian Area, Proposing Mass Surrender of Leftists—50,000 Men Sent to Border

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NAZIS SAY F.D.R. 'WAR AGITATOR'

British, French Proclaim in Headlines, 'U.S. Frontier in France—Roosevelt'

LONDON, Feb. 1 (AP).—President Roosevelt's reported willingness to help Great Britain and France rearm was hailed with satisfaction today in London and Paris and bitterly condemned in the nazi and fascist capitals.

The controlled German press expressed anger over dispatches asserting that the president had told the senate military affairs committee yesterday he favored rearmament aid to the democracies. It accused him of trying to convert France and England into a battlefield and called him the "head of war agitators."

Italian papers charged the president with "war-mongering pessimism."

The British and French press quickly proclaimed in headlines: "U. S. A. Frontier Is in France—Roosevelt." Circulation of reports of the president's statements after what were regarded as conciliatory speeches by Prime Minister Chamberlain and Chancellor Hitler in the last two days sharply encouraged Paris markets.

British officials asserted they knew nothing about any "understanding for positive commitments between the United States and Britain for the sale of planes and other war material," but French officials obviously were jubilant over the American president's attitude.

Cabinet Discusses F. D. R.

It was believed generally that Roosevelt's views were discussed at a special cabinet meeting in London tonight. Chamberlain also had an opportunity to speak of them with King George when he went to Buckingham palace.

The cabinet meets for the third time in two days tomorrow to discuss defense and the Arab-Jewish conference on Palestine, which the premier will open Tuesday.

German papers concentrated on Roosevelt and reported United States developments with angry adjectives. They described the president as a "second Wilson" who, "on behalf of Jewry wants to arm against us and convert France and England into a battlefield."

Officially inspired comment issued by the German news agency, DNB, declared "millions of decent Americans are demanding an investigation into these affairs which, if they had not been inspired by the White House, would be branded as high treason."

Mentioning the reported sale of "700 United States army warplanes" to France, the press release suggested that "perhaps the starting of a fresh inflammatory campaign in America was deemed advisable in order to boost business."

DNB hinted that dark dealings through William C. Bullitt, United States ambassador to France, and Henry Morgenthau, Jr., secretary of the treasury, accidentally brought to light, now "threaten to develop into a gigantic scandal," and asserted that

NAZIS LASH F.D.R. AS 'WAR AGITATOR'

From Page One

Roosevelt sought "to dampen the tremendous impression the fuehrer's speech made on the entire world."

The Lokal-Anzeiger's headlines were: "Roosevelt at the head of war agitators" and "Behind closed doors he declares America's frontier also is on the Rhine."

After two days of enthusiastic comment on Hitler's address, the press turned abruptly on the president who, the Lokal-Anzeiger declared, "started an unveiled war agitation against authoritarian states."

The paper said Mr. Roosevelt had told the committee he had decided to support England and France with arms in case they were engaged in war with totalitarian nations and added:

"With that, Roosevelt proclaimed intervention in Europe; with that, he finally broke the American neutrality policy and put the United States in the midst of war agitation against authoritarian states."

Other papers expressed similar viewpoints.

Nachtausgabe said:

"One can only thank the president of the United States for laying bare his political aims, immediately after the fuehrer's peace talk, to all Europeans and inhabitants of the United States: Not only war incitation, but also war preparation for the benefit of Jewish bankers and profiteers and the benefit of the true dictators of America.

"Now we know that our enemies are Jews and the leading men of the democratic states who are participating in Jewish business.

"Because we do not bend to the economic dictates of the Jews, but are determined to defend for ourselves with our productive power, liberty and equality in the world's economic life, Roosevelt, on behalf of Jewry, wants to arm against us and convert France and England into a battlefield.

"Therewith is the alliance between Moscow and the New York Stock Exchange perfected."

Fascists Take Like Tone

The Italian press carried only brief reports of the meeting with the senate military committee, but what the papers used took the same tone as the German comment.

In France, l'Intransigeant reminded its readers that the reports were of a secret conference, but added that in case of war France and Britain probably would be backed by the "unlimited resources" of the United States.

The leftist Ce Soir defined the president's reported statement as the "real response to Monsieur Hitler" and said Roosevelt had established Britain and France as the advance defense line against the "totalitarian menace."

Chamberlain will be given an opening to refer to the president's reported position when Geoffrey Mander, opposition liberal, asks in the house of commons Tuesday whether the premier will consider "the advisability of paying a visit to the president of the United States as a continuation of his recent visits" to French, German and Italian heads of government.

Soviet Russian circles received Roosevelt's reported statement that "America's frontier is France" somewhat skeptically.

Official comment was not immediately forthcoming, but the soviet-controlled press recently has expressed great admiration for Roosevelt's outspoken criticism of dictators.

There has been persistent emphasis on the soviet view that the only way to halt aggressors is with armed action, and the action of the red armies in repulsing Japanese on the far eastern frontier has been repeatedly cited as an example.

Winston Churchill, veteran conservative statesman who frequently has attacked the dictatorships, in a speech at Buckhurst hill, Essex, tonight added to pronouncements on the rapid growth of Britain's rearmament.

"I should certainly feel confident in the ability of the royal navy in any quarrel in which we had the goodwill of the United States," he said.

Churchill recounted Germany's "hammer blows at European democracy—the fall of Vienna, Prague and Barcelona," and added:

"We must all be thankful in the face of these facts, that the government and the people of the United States are following with such close attention what is happening over here and that that great republic is rearming for her own purposes upon so immense a scale."

MOSCOW CUTS BUDAPEST TIES

Soviet Closes Its Legation in Hungary, Charging Nation Yielding to Pressure

MOSCOW, Feb. 2 (AP).—Soviet Russia fired a warning round at the anti-comintern pact today by ordering her legation at Budapest closed and asking Hungary, the latest anticomintern convert, to close her Moscow legation.

An official explanation said Hungary's decision Jan. 13 to join the Italian - German - Japanese accord against international communism "was thrust upon the Hungarian government from the outside."

The soviet government decided that any diplomatic dealings with Hungary should be carried on indirectly.

To Deal Through Other Capitals

Foreign Commissar Maxim Litvinoff informed the Hungarian minister, Dr. Michael Jungerth-Arnothy, that relations henceforth could be maintained through Hungarian and soviet representatives in some capital other than Moscow or Budapest.

While this was not a formal rupture of relations, it constituted a more serious jolt, for Moscow's reason for the move was officially described as a conviction that Hungary was under a foreign thumb and had "lost its independence to a considerable degree."

The official announcement said that as a result of the Munich agreement partitioning Czecho-Slovakia, Hungary had been subjected to "strong pressure by certain states" and yielded easily to join the anticomintern pact.

Moscow's act was only a warning blow, for the Japanese, Italian and German embassies were still functioning normally.

The next move, it was said, was Budapest's, but even more important was what Tokyo, Rome and Berlin would do.

Tass, official soviet news agency said it learned from "competent sources" that the soviet move was connected with pressure on Hungary by "certain states."

"The policy of the Hungarian government shows that it easily yields to this pressure, and has lost its independence to a considerable degree," Tass said.

Hungary to Close Legation

BUDAPEST, Feb. 2 (AP).—Informed that soviet Russia was closing its legation here, the Hungarian government announced tonight the Hungarian legation at Moscow also would be closed.

"Necessary steps are being taken," said a brief communique, which made no allusion to the gradual cooling relations between Russia and Hungary which culminated in the latter's decision announced Jan. 12 to join the anticomintern pact.

GOERING AGENT SEES PROGRAM FOR JEWISH AID

Nazi Initials Plan—Rublee Is Hopeful Mass Emigration Can Be Arranged

By the Associated Press.

BERLIN, Feb. 2.—Dr. Helmuth Wohlthat, Field Marshal Hermann Wilhelm Goering's personal representative, today initialed a secret document giving German reactions to a program for mass emigration of German Jews.

At the conclusion of three weeks of conversations here, George Rublee, American director of the intergovernmental refugee committee, expressed optimism and said he hoped for a "very great improvement in the situation."

A German spokesman said he felt certain that if "but a few important nations with land available" accepted Rublee's proposals for planned mass emigration, the German government would be found "probably surprisingly generous" in making its contribution toward solving the problem.

He said that he hoped Rublee's proposals would find favor at least with a few governments, but that he did not expect all the thirty-two nations in the governmental committee to agree to proposals which are understood to aim at opening up vast areas in certain countries for Jewish settlements.

Details Given Feb. 13

Before leaving for London, Rublee issued a communique recapitulating the work of himself and his two aides, Joseph Cotton, Jr., and Robert T. Pell since they came here Jan. 10.

"The conversations resulted in clarifying the committee's program so that Rublee will be able to give details of it to the international committee when it meets in London Feb. 13," the communique said.

Neither Rublee nor German authorities would discuss details of the "program."

It is understood, however, that it envisages no additional loan to Germany and that no coupling of additional German exports with large-scale emigration of Germany's 700,000 remaining Jews is incorporated in the Rublee plan.

The memorandum was based on the realization that nothing can change Germany's determination to become "Jew free" within a reasonable time and on the assumption that "no further world tragedy" would occur to exasperate highest German authority anew.

A German spokesman said "further world tragedy" meant such incidents as the slaying last November of Ernst vom Rath, secretary in the German embassy in Paris, who was shot by a young Jew.

In the German view the visit of the Rublee group has had one outstanding result: Rublee, Cotton and Pell understand the German side of the question as, perhaps, no other group of foreigners who have visited Berlin.

German sources emphatically insisted there had been no official negotiations.

Wohlthat, it was said, did not represent the government, but was a private person designated by Goering as one enjoying his confidence to answer all questions and explain the German Jewish situation for the Rublee group.

It was insisted on the German side that the document embodying the fruits of the talks was entirely Rublee's work and at no stage was shaped by Goering's informal representative.

It was gone over point by point, however, first by Dr. Hjalmar Schacht, former president of the reichsbank, who began the conversations, and later by Wohlthat.

Irish Republican Terrorists Two Subways in Heart of

By the Asso

LONDON, Feb. 3 (Friday)—Explosions rocked two subway stations in the heart of London early today, apparently marking a renewal of the widespread series of bombing and sabotage acts authorities have attributed to Irish republican agitators.

Bombs exploded in Leicester square and Tottenham Court road tube stations about a quarter of a mile apart in the center of London.

The explosions were almost simultaneous. They occurred just as service was beginning for the day and for that reason few people were about.

The ticket collector at Tottenham Court road was injured.

The blast at Leicester square, in the heart of the theatrical district, shattered windows of buildings oppo-

ciated Press.

site the station. Its position is the equivalent of that of Times Square in New York.

Fire brigades and squads of detectives and police went to the stations, through which train service was suspended.

The wave of recent violence was attributed to Irish terrorists and included an apparent attempt on the life of Premier Chamberlain's son, Frank, while he was a guest at a northern Ireland hotel Jan. 20. A bomb exploded at the rear of the hotel, but young Chamberlain was not injured.

There have been numerous attempts to sabotage power and transportation facilities in London and other large cities throughout the country.

REBELS BOMBS TAKE 150 LIVES

Toll From Attack on 100,000 Refugees in Figueras May Be Increased to 500

FIGUERAS, Spain (By Courier to the French Frontier), Feb. 3 (AP).—Insurgent warplanes dropped bombs upon the 100,000 refugees crowded into the temporary capital of government Spain in five hours of steady raids today.

First estimates were that 150 were killed and 200 wounded, but the exact toll probably never will be known. (Relief officials reaching the frontier tonight estimated the casualty total as at least 500.)

Gerona, twenty-two miles south of here, was bombed sixteen times today, but no estimate of casualties was given.

Houses were destroyed throughout Figueras, which normally has a population of 14,000.

Tonight a general civil evacuation of the town appeared to be under way, but strict control by Spanish government authorities prevented a panic-stricken rush to the French border similar to the one which came after the fall of Barcelona.

Figueras was so crowded that people spent last night sleeping in doorways and even in the streets.

The bombs could not fail to hit human targets.

The first bombing was shortly after noon. It was the initial attack on the civilian part of Figueras since it had become a haven for refugees from Barcelona.

An hour later the planes came back. Despite the gallant efforts of outnumbered government pursuit planes, they sped over the town dropping bombs, whirled about, and came over again for another attack.

After an hour's interval the planes reappeared. This time they turned upon the crowded Central square, where air-raid refugees were packed to the doorways. One bomb struck the office of foreign censorship, killing a Spanish News agency correspondent and wounding another.

The French consulate, used by the French embassy staff, was hit, but no one was hurt.

From 3 o'clock until 5 o'clock the planes came back so often that the people lost count. Electricity and water were shut off. Volunteers dug into the wreckage amid the confusion of running people and a constant procession of automobiles and trucks that were turned into ambulances.

Bodies were scattered through the streets. Women ran about screaming.

A group of 150 children escaped injury when bombs fell within a few yards of a movie theater where they were gathered.

Rebels Advance Steadily

PERPIGNAN, France, Feb. 3 (AP).—Spanish insurgents said tonight their drive northward through Catalonia had reached a point within nine miles of Gerona, only twenty-five miles from the French frontier.

Insurgent military leaders in Barcelona expressed confidence tonight they would capture Gerona "within the next twenty-four hours" and added they were hopeful of completing the conquest of Catalonia within a week.

'Superior' Warplanes Tested for U.S. Army

NEW YORK, Feb. 3 (AP).—While official Washington debates the sale of American war equipment to France, the United States army is testing new and secret planes which —the policy of the armed services would indicate—are far superior to anything ticketed for export.

No less than eight warplanes are at Wright Field, Dayton, O., the army air corps' laboratory, undergoing tests prior to the letting of a contract for additional equipment.

It is the practice of the army and navy to forbid the export of war materials unless research has provided them with something superior.

At least two other types of Curtiss pursuit planes are reported to have performances superior to the export machine which, on Jan. 22, achieved 575 miles an hour in a "terminal velocity" dive at Buffalo, N. Y.

The dive, an unofficial record for man-made speed, proved little about the actual performance of the plane except that it had the stamina to withstand terrific speeds and that it would be valuable in combat work requiring dives at normal engine revolutions.

HITLER IS TOLD BRITON RESUMING OLD STRENGTH

HULL, England, Feb. 3 (AP).—Foreign Secretary Viscount Halifax tonight coupled a disarmament suggestion to Adolf Hitler with a warning that Britain swiftly is "resuming its ancient strength," and that Britons would "unite as one man" in event of war.

Recalling Hitler's reichstag speech Monday night, in which the reichsfuehrer said "Germany must export or die," Halifax declared in a speech here:

"It is not my business to discuss the extent to which the difficulties of Germany or of any other country might be reduced by action that is within the power of a single country to take.

"But I know that so long as the world remains an armed camp, the present difficulties will, in a greater or less degree, persist for all."

Rebels Capture Last Loyalist Stronghold

By the Associated Press.

Spanish Insurgents reported today they had entered Gerona, last major Government stronghold in Catalonia, only thirty-six miles by road from the French frontier.

An advance by Generalissimo Francisco Franco's forces to the frontier, wiping out the Government's dwindling hold on Catalonia, appeared only a question of days. The Government's newest defense line was said to have been shattered.

BRITISH BUY PLANES

In London, the British Air Ministry announced the purchase of 250 American-made military planes in addition to 400 planes already on order in the United States as world repercussions to President Rooseevlt's conference Tuesday with the Senate Military Affairs Committee still echoed.

The President remained the target of Nazi and Fascist press attacks today, despite his denial of reports he had said American frontiers were in France or on the Rhine and despite diplomatic representations to Italy.

The comment of the Lokal Anzeiger was typical of the Nazi view. The Berlin newspaper said:

"Instrinsically, it is of small importance whether the President actually used those words. But he must have meant something like it, or else the American papers hardly would have been so unanimous on the subject.

"Moreover, the sale of warplanes to France speaks with a sufficiently clear voice."

The Italian Il Poplo Di Roma said flatly that the President "said and later denied it that he would run to defend the Rhine."

The Fascist bitterness yesterday prompted United States Ambassador William Phillips to ask an explanation from Italian Foreign Minister Count Galeazzo Ciano.

SLAV CABINET RESIGNS

The Yugoslav Government of Premier Milan Stoyadinobich resigned because of disagreement within the Cabinet over the handling of Croatian autonomy agitation. A coalition Government was expected to be formed.

Hundreds of refugees reached the French frontier, among them many wounded from Figueras, Spain, where first aid facilities were insufficient to cope with the estimated 150 dead and 200 injured in terrific Insurgent air bombardments yesterday. Government officials were said to be moving the civilian population of Figueas to the open countryside.

LOYALISTS SEEK HELP OF BRITAIN IN ASKING PEACE

PLAN TO QUIT CATALONIA

Plebiscite on the Form of Government Among Concessions Asked

LEFTISTS LOSE GERONA

Leaders Planning to Fly to Valencia for Final Stand in the Central Quarter

By the Associated Press.

PERPIGNAN, France, Feb. 4.—The Spanish government was reported in reliable quarters tonight to have secretly requested Great Britain to open negotiations with insurgents to end the savage two and a half-year-old civil war.

The reported overtures contained such broad qualifications, however, as to raise the question of their success.

They were disclosed at a time when Premier Juan Negrin's government took first steps toward abandoning all of Catalonia — Spain's northeastern corner—to Insurgent Gen. Franco's conquering forces in an attempt to make a last stand in the central "island" quarters of Spain, embracing Valencia and Madrid.

It was understood that in the request to the British government the Spanish government authorities stipulated that the peace talks be opened with three points enunciated by Negrin Wednesday as the background.

Soviet-Jap Clashes

TOKYO.—(U. P.)—Eight clashes have occurred between Japanese and Russian troops on the Manchukuo-Siberia frontier within the last four days, a dispatch of the authoritative Domei News Agency said today, and it was feared that another period of dangerous tension was in prospect.

The Domei dispatch was from Hsinking, capital of Manchukuo. It reported that Japanese-Manchukuan troops had repelled five Russian frontier attacks Tuesday, and that according to news from Harbin three more clashes caused by Russian attacks occurred yesterday.

Presumably the attacks which were alleged to have occurred on Tuesday were those about which Russia and Japan already have made diplomatic counter charges. Domei today placed these clashes as sixty miles northeast of Manchui, which would be on the northwest side of Manchukuo.

BRITISH ORDER 250 U.S. PLANES

650 Now on Order in This Country—Latest Types Are Not Involved

LONDON, Feb. 4 (AP).—Impressed by the prospect of faster deliveries, the British government has asked two United States concerns already working on orders for 400 military planes to increase the number to 650.

The air ministry announced today that orders for the additional planes, about $13,000,000 worth in addition to the original $35,000,000, had been placed.

The new orders called for fifty general reconnaissance planes from the Lockheed Aircraft corporation, of Burbank, Cal., and 200 trainers from North American Aviation, Inc., Inglewood, Cal.

Two hundred planes had been ordered from each concern as a result of the visit of a British air mission to the United States in May, last year. In announcing the original orders, the air ministry indicated the numbers might be increased.

Today's air ministry announcement said:

"In view of improved deliveries in prospect under orders for aircraft placed by the air ministry in the United States last year, it has been possible to negotiate an increase in contracts for delivery within the period originally contemplated."

The companies had been given one to two years to fill the orders.

(Both Britain and France, outstripped by Germany in production of fighting planes, have turned to the United States to supplement their outputs.

(A French mission to the United States was reported recently to be considering purchase of 250 or more American-made planes. Official sources said France already had double an order last year for 100 pursuit planes.)

Even with Britain's comparative lag in aerial armament, her production is said to have attained a high rate of progress in recent weeks, and British defenses are said to be far more effective than they were in the September crisis over Czecho-Slovakia."

ITALIAN EXCUSE SEEN IN LONDON

Hint Duce May Keep Troops in Spain Has an Ominous Ring in England

LONDON, Feb. 5 (AP).—The declaration of Virginio Gayda, fascism's outspoken authoritative editor, that Italy's troops may remain in Spain until insurgents complete their political domination as well as their military control rang ominously in Britain today.

Observers immediately saw in the statement an excuse for Italy to keep her troops in Spain indefinitely with the hope of wringing concessions from France after the civil war.

The British and French governments long have fought off internal political attacks on their nonintervention policy in Spain by citing Premier Mussolini's pledges to withdraw his soldiers from Spain when the civil war ended.

Charges "New Intervention"

Gayda, however, charged that "new pressure and diplomatic intervention" was being planned against the insurgents, spoke of "foreign intrigue" that might intervene between Gen. Franco's military victory and his political victory and said Italian soldiers could not be withdrawn until there was "renunciation of every other undue, effective, political intervention."

Observers felt perhaps Gayda was referring to the belief in British official circles that after the war Gen. Franco would find himself dependent upon British finance for reconstruction and, therefore, amenable to British influence.

France also has taken steps within the last few days to foster closer relations with the insurgents. Senator Leon Berard, of France, left for Burgos last Thursday. England long has had a commercial agent at Burgos.

BRITAIN DISCOVERS BIZARRE BOMB PLOT

10,000 Extra Police Guard King, Historic Buildings After Details Revealed

LONDON, Feb. 5 (AP).—Increased guards were thrown around Buckingham palace and Britain's famous houses of parliament today after the discovery of a bizarre conspiracy rivaling the Seventeenth century "gunpowder plot" to blow them up.

Scotland Yard officials, who attribute the recent wave of bombings in England to the king-hating outlawed Irish republican army, said details of the plot were uncovered in a raid at Belfast, in northern Ireland.

They immediately pressed into service 10,000 extra police to guard the country's vital services and historic buildings.

A special guard watched Windsor castle, where King George VI and Queen Elizabeth were on a week-end holiday.

Some quarters likened the plot against the houses of parliament with the frustrated attempt in 1605 to blow up the historic buildings during agitation against anti-Catholic laws enforced by King James I.

Despite Scotland Yard's elaborate week-end precautions there were spasmodic outbreaks of terrorism.

Incendiary bombs were set off in four stores at Coventry. An explosion blew out a part of Walton prison at Liverpool, where a number of persons accused of taking part in the terrorist activities were held.

LOYALIST ARMY IN FLIGHT TO FRANCE AFTER LEADERS YIELD CATALONIA TO FOES

LEFTIST CHIEFS SPLIT

Negrin Deaf to Pleas He Surrender at Once to Gen. Franco

DETERMINED TO RESIST

French Officers Prepared to Permit 150,000 Loyalist Fighters Across Border

PERPIGNAN, France, Feb. 6. (Monday) (AP).—Premier Juan Negrin of Spain entered France at 3:45 a.m. today (10:45 p.m. Sunday, eastern standard time, with four of his cabinet members in a fleet of eight automobiles.

The cabinet members and their bodyguards had driven from Agullana, just across the border from Le Perthus, where they had held a cabinet meeting earlier in the night.

They were understood to be seeking to return to central Spain to continue the war.

The windshield of one of their cars was riddled with bullet holes.

PERPIGNAN, France, Feb. 5 (AP).—Fleeing Spanish government armies began a mass flight into France tonight after their leaders had abandoned Catalonia to conquering insurgent armies.

Government leaders were reported violently split over continuing the war.

President Manuel Azana, former Premier Jose Giral, Luis Companys, president of the Catalonian government, and many of Premier Juan Negrin's ministers were said to have appealed to him to surrender immediately to Generalissimo Francisco Franco.

Negrin Insists on Resistance

But Negrin, with a few of his followers, including Foreign Minister Julio Alvarez del Vayo, was said to have insisted on continuing resistance in central Spain, where the government-held area includes Valencia and Madrid.

Azana and Giral were en route to Paris. Aides of both said they had broken forever with Negrin.

Negrin and his ministers were scattered, some in France and others on their way to Valencia.

Broken government forces began crossing the frontier into France late in the afternoon, after the French government decided to open the border to the escaping fighters.

Almost 10,000 had entered France before nightfall, when French authorities decided to close the gates until dawn tomorrow, when more weary beaten government soldiers will be admitted.

French army officers said late tonight they were prepared for 150,000 government fighters to cross the frontier.

They believed the remaining 50,000 members of the routed government forces would be captured by the rapidly advancing insurgents or would surrender.

Motorized columns of Gen. Franco had made a lightning thrust to and beyond Figueras and were only about thirteen miles from the border. West, near Andorra, Seo de Urgel had fallen without a battle. Behind the columns that were cutting the government army into ribbons were the slower moving clean-up squads.

Spain's Routed Loyalists Ask For Mediation

By the Associated Press

The Premier of Government Spain called the British and French envoys to a conference today in the French border town of Perpignan amid electric expectation that mediation of the thirty-month-old Spanish civil war might be discussed.

Spanish Government leaders, after abandoning all Catalonia to the insurgents and fleeing to France, were believed to be discussing the possibility of ending the civil war by surrendering the Madrid-Valencia "island" of about one-fourth of Spain which they still held.

SURRENDER ONLY TERMS

Insurgent authorities were reliably reported to have informed London that "unconditional surrender" would be the only peace terms acceptable.

British Prime Minister Chamberlain informed the House of Commons, that "any threat to the vital interests of France, from whatever quarter it came, must evoke the immediate cooperation of this country."

Observers were quick to note this statement followed publication in Rome yesterday of a statement by the authoritative Fascist editor Virginio Bayda that Italian troops would stay in Spain until the Insurgents won a "political," as well as military, victory.

The Spanish Government Premier's call for a conference of the British and French envoys followed reports Britain and France had begun new mediation efforts.

Whether British officials had been in touch with Spanish Government and Insurgent diplomats in London was not known, however.

British officials acknowledged that both Britain and France were "trying to stop needless bloodshed in every possible way," and said the British government was "making every possible effort to keep in touch with both sides" in the conflict.

Government resistance in Catalonia had crumbled. Twenty thousand government soldiers already were in France and 60,000 more were expected to cross the frontier. The rest of the government's Catalonian army of 200,000 had died, deserted or been taken prisoner.

President Manual Azana and Premier Juan Negrin were in France. Azana was said to have favored suing for peace, but government sources said Negrin was determined to carry on the fight in the central Spain sector still held by his troops.

Week-end efforts toward peace had collapsed as Generalissimo Francisco Franco's motorized armies rolled past Figueras and Seo de Urgel in a triumphant, unresisted drive toward the French frontier.

France had opened her frontiers to the government's pursued troops as well as to a new flood of noncombatant refugees.

Franco withdrew Italian legiannaires from his forces near the French frontier, but in Rome Italy was represented as intending to keep her Blackshirt troops in Spain until that country was completely under Insurgent military and political control.

ASSAILS 'CAVILING' VIEW

Chamberlain Talk Brings Assertion Italy Will Pursue Aspirations

NAZI AIDE VISITS LIBYA

Chief of Storm Troops Guest of Balbo on Tour Along Tunisian Frontier

By the Associated Press.

ROME, Feb. 6.—Adolf Hitler's storm troop chief, Viktor Lutze, started today on a tour of Italian Libya's frontier with French-controlled Tunisia, while the fascist press warned Britain that rejection of Italy's "natural aspirations" would result in a violent situation.

Lutze will be the guest in Libya of Gov. Italo Balbo. The trip will take Lutze to Gadames, on the frontier with Tunisia, and will keep in the foreground the promise Chancellor Hitler made in his Jan. 30 reichstag address to aid Italy in event of war.

To Pursue Aspirations

"The British government," said Il Giornale d'Italia after Prime Minister Chamberlain had reaffirmed Anglo-French solidarity in the house of commons today, "knows very well that fascist Italy intends to pursue her natural aspirations to their just realization.

"It it possible then to suppose the government, and Chamberlain in particular, contemplates the alternative of a violent situation and collapse of all British home and foreign policy?"

The press displayed ill-feeling toward Britain—for the first time in weeks—over London's "caviling" reaction to Premier Mussolini's reported determination to keep his soldiers in Spain until the insurgents had won a "political" as well as a "military" victory.

Chamberlain's speech was published here today, but diplomats, regarding it as the strongest British support given France since the World war, felt certain it would be badly received and possibly end the era of good feeling towards Britain which followed Chamberlain's visit here Jan. 11-14.

Following up press indications that Italian troops would remain in Spain after an insurgent military victory and until political victory had been achieved, fascists said this was in accord with assurances to Britain that Italian legionnaires would be withdrawn when the war was won.

Nothing to Do With Accord

"The British-Italian accord (of last April 16) has nothing to do with this," declared the newspaper La Stampa. "Let the strategists of Quai d'Orsay (French foreign office) get that in their heads right now."

La Stampa said Italian forces intended to stand watch in Spain against "political intrigues of certain foreign powers" against the insurgent regime.

"If Paris wants the legionnaires to return to Italy as soon as possible," the newspaper said, "it has only to let things take their course without trying to supplant (Generalissimo) Franco."

Referring to the Burgos trip of French Senator Leon Berard, the newspaper said Italy did not intend to stand for any "Machiavellian tricks" by "certain chancelleries." (Berard's trip to the insurgent capital was seen in Paris as a move toward possible recognition of Franco's government.)

The death of ninety-six Italian soldiers on the Catalonian front was announced, bringing the total for Italians in the entire war to 1,569.

LOYALISTS REPORTED READY TO SURRENDER, END THE WAR; ROME PRESS WARNS BRITAIN

ASK MORAL GUARANTEES

Government Wants Rebels to Forego Reprisals, Oust Foreigners

BUT FRANCO IS ADAMANT

London Hears Insurgents Will Accept Only Unconditional Surrender as Terms

By the Associated Press.

PERPIGNAN, France, Feb. 6.—The Spanish government was reported ready to surrender its remaining one-fourth of Spain tonight upon obtaining from the insurgents little more than "moral guarantees."

The Spanish government foreign minister, Julio Alvarez del Vayo, conferred tonight with the French ambassador to Spain, Jules Henry, and the British minister, Ralph Stevenson, in the police station at Le Perthus. From other diplomats it was learned they had discussed the possibility of a government surrender to Insurgent Gen. Franco and an end to the two-and-a-half-year-old civil war.

Meeting Arranged by Negrin

All of Catalonia having been abandoned to the insurgents yesterday, events moved swiftly today. Tonight's meeting, concerning which all of the principals remained silent, had been arranged earlier by Premier Juan Negrin, who later returned to Spain.

From diplomats it was learned that Premier Negrin's stand, which only yesterday was that the government would fight to the bitter end in the Madrid-Valencia "island" in central Spain, had changed during the day.

The government was represented as willing to surrender upon receiving only these guarantees:

First—No reprisals against government leaders who would fall into insurgent hands as a result of mass surrenders at Madrid, Valencia, Alicante and other centers of government resistance.

Second—Formal assurance by Gen. Franco that all Italian and German influence would be banished from Spain by the insurgents.

(Several weeks ago Gen. Franco announced no foreign power would have a voice in the affairs of a victorious insurgent Spain. The issue is of grave concern to France and Britain, who fear Italian and German military forces will remain in Spain after the insurgent military victory.)

It had been authoritatively disclosed earlier that Britain and France were making a fresh attempt to mediate the civil war and subsequently Spanish government officials in France arranged to meet British and French envoys.

This latter move gave rise to speculation on the possibility that the Spanish government might modify its terms in the hope of ending the two-and-one-half-year-old war.

The pledge of aid to France was made just one day after publication

Chamberlain Pledges Help In Event France Threatened

Tells House of Commons Any Move Against 'Vital Interests' of Ally to Find Britain at Side —Statement Seen Plain Warning to Italy

By the Associ

LONDON, Feb. 6.—Prime Minister Chamberlain pledged before a cheering house of commons today that any threat to "the vital interests" of France would find Britain solidly behind her World war ally.

His statement, which apparently envisaged a large British expeditionary force being sent to the continent as in the World war, in addition to air and naval assistance, came on a day of swiftly moving Spanish developments in which Spanish insurgent authorities were reported reliably to have informed the British government their peace terms were "unconditional surrender" of the Spanish government.

ated Press.

in Rome of indications that Premier Mussolini intended to keep his Italian troops in Spain after the end of the civil war, despite the promise to take them out at that time, if not earlier.

In what seemed a plain warning to Italy that she could not press her colonial claims against France to the point of war without bringing all the forces of Britain to France's aid, Chamberlain said in reply to a question which was based on a statement by French Foreign Minister Georges Bonnet:

"According to my information, Bonnet's statement in the (French) chamber of deputies on Jan. 26 was that in case of a war in which the two countries were involved all the forces of Great Britain would be at the disposal of France just as all forces of France would be at the disposal of Great Britain.

Gayda today did not report his mention of Italian troops, but, nevertheless, insisted on a continuance of help and specified four points which he said were prerequisites for a complete Franco victory. They were: demobilization of Spanish republican government forces which had found refuge in France; resignation and dispersal of the government; unconditional surrender by the republican army with no armistice negotiations; return of the Bank of Spain's gold stock, which the government had deposited abroad.

QUARTER DENIED, LOYALISTS PLAN BATTLE TO END

Daladier Wins Big Vote On Foreign Policy Test

PARIS, Feb. 7 (AP).—The French senate voted confidence, 290 to 16, in the government's foreign policy tonight after Foreign Minister Georges Bonnet in a speech indicated his policy is based in large part on co-operation with the United States.

"Never have relations between France, England and the United States been better than at present," Bonnet said.

"Our three democracies," he added, "are aware of the immensity of their material and moral force. They know their place in the world, their place in history, their economic power and they know that no nation could dream of imposing their hegemony on them."

Borrowing President Roosevelt's expression of "good neighborliness," to describe France's relations with other powers of Europe, he re-emphasized, however, that France never would cede an inch of territory to Italy.

Italian Paper Demands Loyalists Give Up Gold

ROME, Feb. 7 (AP).—Italy's determination to aid Insurgent Generalissimo Francisco Franco until he has won a "political" as well as military victory in Spain was reaffirmed today by Virginio Gayda, often considered Premier Mussolini's spokesman.

Foreign Minister Count Galeazzo Ciano at the same time, however, was authoritatively reported to have told British Ambassador Lord Perth that Gayda did not represent the government attitude when he wrote previously that Italian troops would stay in Spain until Franco won a full political victory.

FRANCO REJECTS PLEA

Negrin, Aides May Go to Madrid, Where Miaja Continues Defense

CONSIDER RECOGNITION

London Studies Demand for Withdrawal of Foreigners Before Action Taken

By the Associated Press.

PERPIGNAN, France, Feb. 7.—Spanish government officials announced tonight that the hard-pressed Juan Negrin cabinet had decided to continue the fight in defense of the one-fourth of Spanish soil still in its hands.

The announcement indicated Insurgent Generalissimo Franco had repeated his demand for unconditional surrender to end the thirty-month civil war—an insistence which brought a breakdown in peace negotiations.

The government's decision to fight on was made known shortly after Julio Alvarez del Vayo, foreign minister of the Spanish government, conferred at Perpignan with members of the Spanish cortes (parliament) and then hastily crossed the border for a conference with Premier Negrin.

"Our government which is the result of the people's will has decided to pursue the fight to the end," said Alvarez del Vayo tonight.

"The means at our disposal in the central zone can permit us to prolong the fight for some months."

Franco Refuses Safe Conduct

The insurgents were said to have remained adamant in refusing the government's last condition for peace —mere safe conduct from Spain for leaders of leftist parties, labor unions and military forces who are now in central government zone.

The insurgents often have expressed an intention to put government leaders on trial for "high crimes against Spain."

The insurgents already had turned down Negrin's three-point overture, calling for assurances that a plebiscite would be held for choice of a new Spanish government, that Spain would be freed of foreign influence and that all Spaniards would be permitted to join in the work of reconstruction.

Reports came from central Spain that Gen. Jose Miaja, commander in the Madrid-Valencia zone, was determined on a fight to the finish, and was convinced the government was in "splendid position" to continue the struggle, despite the loss of Catalonia.

Communist leaders, a factor in Negrin's organized support, indicated they were preparing to move to central Spain, following the government either to Valencia or Madrid, which were capitals before Barcelona. Barcelona fell Jan. 26 to Franco's Catalonian offensive.

Loyalists Decide Not to Surrender

Britain, France Ready to Recognize Rebel Victory

Duce's Policy Is Vital Point In Settlement

LONDON. — (A. P.) — British Foreign Office officials said today Great Britan and France were considering recognition of the Insurgent regime of Generalissimo Francisco Franco as the sole official government of Spain.

Spanish Insurgent authorities in London said Franco had not yet asked for de jure recognition of his government.

British officials said, however, that unless Franco is recognized soon, the Insurgents would look entirely to Germany and Italy for aid in rehabilitating Spain.

In diplomatic quarters it was stated Britain might even offer immediate recognition of Franco, provided he agrees to end hostilities at once.

This suggestion, however, had not yet been raised officially and it was generally believed to have little chance of success unless the Spanish Government surrenders.

ANXIOUS OVER BASE

Britain and France were understood to have pointed out to Franco that the Government-held Balearic Island of Minorca in the Mediterranean must be occupied,

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ROME.— (A. P.) —The Italian Government has disclaimed to Great Britain any intention of keeping Italian troops in Spain after a final Insurgent victory, it was reported today in political circles.

Foreign Minister Count Galeazzo Ciano was said to have assured Lord Perth, British ambassador, that the usually authoritative editor Virginio Gayda did not express the Government's viewpoint in saying that Italians would remain in Spain until a "complete political victory" had been won by Insurgent Generalissimo Francisco Franco.

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not by Italian or German forces, but solely by Spaniards before London and Paris could recognize the Insurgent regime.

Frequent reports that Italian troops control Mallorca, largest of the Balearic Islands, has caused anxiety here, since these islands are close to France's line of communications with her African possessions.

Diplomatic quarters in Paris said Franco had given a promise of friendly relations between the "new Spain" and France. Senator Leon Berard, semiofficial French envoy to Burgos, was said to be on his way back to Paris "highly satisfied" with exploratory talks with Insurgent leaders.

Negrin Plans To Establish New Capital

LONDON. — (U. P.) — The Spanish Loyalist Government defied Gen. Francisco Franco's demand for unconditional surrender tonight and announced it would move to Valencia to continue the civil war in Central Spain.

Although Catalonia has been definitely lost, the Spanish embassy in Loning Premier Juan Negrin ing Premier Juan Begrin and his generals would fly to Valencia and continue resistance with the 300,000 troops in Central Spain led by Gen. Jose Miaja, defender of Madrid.

The embassy statement coincided with reports through diplomatic channels that Negrin and Foreign Minister Julio Alvarez Del Vayo had resisted all efforts of the British and French to induce them to cease the struggle.

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Associated Press Foreign Affairs Writer.

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That is the issue which impelled Italy and Germany and Portugal to intervene in this family quarrel and aid the Insurgents, and which brought help to the constitutional Government from Russia and France, among others.

It is what on numerous occasions all but precipitated a general European war. The revolution had ceased to be strictly Spanish and had become international before the first gun was fired.

Now Insurgent Generalissimo Franco is close enough to final victory to have to do the magic hat trick and produce the solution for which the world has been waiting. Upon the deftness of his hand may depend the trend of momentous events quite outside the confines of his own country.

Thus far Franco has kept his secret locked within himself, as regards the public. These strong probabilities, however, have been forecast by numerous events:

There likely will be some form of totalitarian government. Whatever the government may be, the 46-year-old Franco will be the big boss, irrespective of what title he may bear.

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In any event, Alfonso is understood to be quite willing to have his son ascend the throne. Don Juan is a likely lad, they say. He is 25 years old and has a good training for kingship. The don married Princess Maria Mercedes of Bourbon in 1935.

Many European observers believe that Mussolini expects Franco to make him concessions which will aid Il Duce in his challenge to British domination of the Mediterranean.

On January 16 Franco gave to the people of all Spain the pledge that his regime would resist domination of Spain by any foreign power.

The general further declared Spain would resist any attempt by foreign powers to infringe on the country's territorial integrity.

Meantime the world ponders the meaning of the indication in the Italian press that Italy is likely to keep troops in Spain until Franco has consolidated his victory.

To Keep Island Out of Fascist Hands; Explosion Heard in Spain.

(By the Associated Press.)

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France and Great Britain were reported in diplomatic circles to have offered a bargain to Insurgent Generalissimo Franco which would eliminate Italian influence in Spain after the Spanish war is ended.

French Foreign Office quarters left no doubt that they considered a Franco victory inevitable within several months. As a consequence it was indicated by diplomatic sources that France and Britain had offered an "understanding" in Burgos.

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Other reports, however, said the explosion occurred when retreating government forces blew up a bridge on the frontier highway south of La Junquera, about four miles from Le Perthus, to protect their retreat.

Britain Speeds Warship to Spanish Island

Arrival of the cruiser Devonshire at Minorca gave substance to reports of British and French fears for their empire life lines through the possibility of Italian or German troops occupying the island, only one of the Balearics still in Spanish Government hands.

London reports said the Cabinet was contemplating a large loan to Franco to counterbalance any foothold gained by the totalitarian powers in Spain through military support they gave Franco during the thirty months' war.

WON'T SURRENDER

Premier Juan Negrin's government reiterated its refusal of Insurgent demands for unconditional surrender.

Unexpected fighting broke out between Insurgents and retreating Government troops near Puigcerda on the French frontier, with warplanes and artillery units joining the battle.

The flow of Government troops and refugees continued across the border into France, however. Government hopes were pinned on being able to transfer the fighters to the Madrid-Valencia zone, where Gen. Jose Miaja has said the Government would keep up the fight in the one-quarter of Spain it still controls.

It was not clear whether France intended to keep troops interned, once they crossed the frontier, or whether they would be permitted to rejoin the Central Government forces.

A Nazi plan that Jews be allotted "reservations" under internatoinal control in either British Guiana or French-owned Madagascar was advanced by Alfred Rosenberg, chief of Nazi spiritual activities.

He told diplomats and newspapermen the plan, most specific yet presented by a high Nazi, would provide for from 12,000,000 to 15,000,000 Jews to be supervised by a governor or a "league of nations."

Colonial Secretary Malcolm MacDonald, with an Arab-Jew peace conference in session, attempted without success to settle differences between opposing factions of Arab delegates.

An agreement as to Arab representation was considered vital to the peace parley, through which it is hoped to solve the Palestine problem.

BRITISH OFFER FRANCO MONEY

London, Paris Plan to Offset Fascists' Help in Wartime With Peacetime Gold

PARIS, Feb. 8 (AP).—A British-French plan to get Germany and Italy out of Spain by countering nazi-fascist wartime help with peacetime gold was reported by informed quarters today.

Diplomatic circles said Britain and France had offered to finance reconstruction of the war-torn country in return for a promise by Generalissimo Franco to eliminate German and Italian influence from a new insurgent state.

(There was immediate reaction in Italy to British-French overtures to Franco. The fascist press declared it was "too late" for eleventh-hour moves by nations wanting to get on good terms with him and added that Italy insisted on a victory which would not benefit "those who, after having favored the exportation of bolshevism to Spain," hasten to make contacts with the insurgents.)

Fascists, Nazis Poor

There was a belief in the two democratic nations that the relative poverty of Germany and Italy would make it hard for them to help in the rebuilding of Spain after the war.

Of more immediate concern to London and Paris, however, was the situation of Minorca, the only one of the western Mediterranean Balearic islands still held by Spanish government followers.

The British and French governments apparently were alarmed lest Italian troops and Italian airplanes now occupying the neighboring, insurgent-held island of Mallorca, should seek to invade Minorca.

Should Italy control both islands French and British sea traffic in the western Mediterranean might be paralyzed in time of conflict.

Five days ago, it was learned, squadrons of Italian warplanes flew over Minorca, dropping leaflets calling for the island's surrender. The time limit was to have expired today.

Whether France and Britain had interceded with Franco was not known, but the British cruiser Devonshire called at Port Mahon, the island's fortified harbor.

Minorca Question Debated

British ministers were understood to have debated the question of Minorca in a cabinet meeting today. Reports of the sending of the Devonshire to the island gave different versions.

One was that Britian was ready to co-operate with Franco in occupation of Minorca provided that landing troops were entirely Spanish. A second was that Britain was ready to help the island's garrison resist any attempt by seizure by Italy.

Informed British sources said Prime Minister Chamberlain had discussed in the cabinet meeting the possibility of a large loan to insurgent Spain. British officials acknowledged that Britain had asked Franco to agree to a truce.

INSURGENTS BOMB FRONTIER VILLAGE

1,000 Casualties Reported in Small Town Sheltering 15,000 Refugees

BOURG-MADAME, France (At the Spanish Frontier), Feb. 8 (AP).—Physicians and nurses with first-aid supplies were rushed to the frontier Spanish village of Puigcerda tonight after Spanish government authorities charged 1,000 refugees had been killed or wounded by insurgent warplanes.

French border authorities, however, put the casualties at little more than 100 on the basis of first reports received here.

The planes, said Spanish officials, not only attacked a jammed railway station in Puigcerda, but also swooped low over the roads leading into the town and machine-gunned columns of refugees and soldiers fleeing into France.

The difficulty of communicating with Puigcerda hindered ready establishment of the extent of the casualties.

Authorities estimated 15,000 refugees were crowded into the little border town this morning. The normal population is 2,500

MIAJA, FRANCO TALK OF PEACE; NEGRIN SHAKEN

Leader of Madrid Zone Goes Over Head of Premier in Asking Terms, Is Report

AZANA, NEGRIN MAY QUIT

Leftist Chief Occupies 'Last House in Spain,' Watches Troops Cross Border

By the Associated Press.

PERPIGNAN, France, Feb. 8.—The stubborn refusal of Juan Negrin, Spanish government premier, to end the civil war on insurgent terms was shaken violently tonight by reports that peace talks had been opened directly between the insurgents and Gen. Jose Miaja, dictator of the government's central zone.

Despite the premier's frequently declared intentions of fighting "to the bitter end," Miaja, chief of the Madrid-Valencia zone, refused to answer Negrin's telegrams.

Paris Withdraws Recognition of Loyalist Spain

Rebels Pursue Negrin as He Returns to Continue War

Hopes for Better Times

Miaja was reported to be engaged in conversations with Franco over Negrin's head—perhaps because the insurgents were said to be willing to grant better terms to an old soldier than to a socialist leader like Negrin.

The reports were said by members of the French chamber of deputies to have been brought back from Burgos by Senator Leon Berard, semi-official envoy to the insurgent capital. They came close upon announcements that Manuel Azana, president of government Spain, was considering resigning because of Negrin's refusal to surrender unconditionally.

Deputies who talked with Berard said their impression was that negotiations between Miaja and Franco already had begun Tuesday when Berard left Spain.

French and British diplomats on that day also were reported attempting to find a basis for an armistice between Franco and Negrin. These negotiations, however, reportedly failed Tuesday night because of insurgent insistence upon an unconditional surrender.

Control Believed Lost

Driven to the edge of Spain by the insurgent advance in Catalonia which routed the government army, Negrin appeared tonight to have lost control of the Madrid-Valencia area—the southeastern one-fourth of Spain still in government hands.

There were also persistent rumors here that Negrin, discouraged at last, was planning to resign himself. Minister of Agriculture Vincente Uribe said the rumors were "without foundation," but Foreign Minister Julio Alvarez del Vayo refused to confirm assertions that the premier intended to carry on the war from Valencia.

"That is something he himself must say later," Alvarez del Vayo declared.

Truce negotiations between Negrin and Franco broke down yesterday when Franco refused to accept Negrin's condition for surrender—that government leaders of the Madrid-Valencia zone be assured of their lives.

Quiet, scholarly Azana, who fled Catalonia before the insurgent sweep Saturday, now is at the little French village of Collonges-Sous-Saleve, near the Spanish frontier.

Town Straddles Border

Negrin came to Le Perthus today to learn Azana's plans and set up temporary headquarters in "the last house in Spain," its front porch actually jutting across the international boundary. Le Perthus straddles the border.

Negrin's aides considered his plan for "bitter end" resistance in the Madrid-Valencia zone would be compromised if Azana should resign because of the effect it might have on government followers.

To enter his new headquarters, Negrin was forced to cross into France, even though once inside he was back in Spain. Government officials said they considered themselves politically if not actually in France.

Duce's Policy Is Vital Point In Settlement

LONDON. — (A. P.) — British Foreign Office officials said today Great Britan and France were considering recognition of the Insurgent regime of Generalissimo Francisco Franco as the sole official government of Spain.

Spanish Insurgent authorities in London said Franco had not yet asked for de jure recognition of his government.

British officials said, however, that unless Franco is recognized soon, the Insurgents would look entirely to Germany and Italy for aid in rehabilitating Spain.

In diplomatic quarters it was stated Britain might even offer immediate recognition of Franco, provided he agrees to end hostilities at once.

This suggestion, however, had not yet been raised officially and it was generally believed to have little chance of success unless the Spanish Government surrenders.

ANXIOUS OVER BASE

Britain and France were understood to have pointed out to Franco that the Government-held Balearic Island of Minorca in the Mediterranean must be occupied,

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ROME.— (A. P.) —The Italian Government has disclaimed to Great Britain any intention of keeping Italian troops in Spain after a final Insurgent victory, it was reported today in political circles.

Foreign Minister Count Galeazzo Ciano was said to have assured Lord Perth, British ambassador, that the usually authoritative editor Virginio Gayda did not express the Government's viewpoint in saying that Italians would remain in Spain until a "complete political victory" had been won by Insurgent Generalissimo Francisco Franco.

*

not by Italian or German forces, but solely by Spaniards before London and Paris could recognize the Insurgent regime.

Frequent reports that Italian troops control Mallorca, largest of the Balearic Islands, has caused anxiety here, since these islands are close to France's line of communications with her African possessions.

Diplomatic quarters in Paris said Franco had given a promise of friendly relations between the "new Spain" and France. Senator Leon Berard, semiofficial French envoy to Burgos, was said to be on his way back to Paris "highly satisfied" with exploratory talks with Insurgent leaders.

Negrin Plans To Establish New Capital

LONDON. — (U. P.) — The Spanish Loyalist Government defied Gen. Francisco Franco's demand for unconditional surrender tonight and announced it would move to Valencia to continue the civil war in Central Spain.

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MINORCA FALLS WITHOUT FIGHT

Rebels Move In After Peace Talks on British Warship —Leaders Evacuated

LONDON, Feb. 9 (AP).—The Spanish government's Balearic island stronghold, Minorca, fell into insurgent hands today after peace negotiations aboard the British cruiser Devonshire, while Britain and France sought persistently to end the civil war on the Spanish mainland.

Spanish government sources insisted their premier, Juan Negrin, harried into France by the insurgent conquest of Catalonia, intended to return to the one-quarter of Spain still in government hands and continue the war from there.

A reliable report that Britain had conveyed still another Negrin peace offer to Insurgent General Franco indicated, however, that the premier was maneuvering mainly for safe conduct assurances for government leaders.

Spanish Soldiers Only

The British warship carried an insurgent peace delegate to Minorca after Franco promised that the island would be occupied by Spanish soldiers and not by Italian or German forces which have been helping him.

The island, 284 square miles, lies athwart British and French Mediterranean communications.

The Devonshire steamed away from Minorca toward "some French port" with 450 Minorcans, including Spanish government officials, as a result of peace negotiations carried out by the Count of San Luis, insurgent military governor of Mallorca.

He negotiated with government representatives aboard the Devonshire while it lay at sea off Port Mahon.

Minorca is regarded by some observers as of more strategic importance than Mallorac, largest of the Balearics, which was the base for Italian planes in the war service of Franco. Ibiza and Formentera islands complete the Balearic group.

As soon as the Minorcan "refugees" had sailed there came news of an insurgent landing on Minorca and occupation of the island, presumably by Spaniards only. The Devonshire had put into Port Mahon on Tuesday.

The insurgent demand for surrender of Minorca was understood to have been backed up with a threat to take it by force with 10,000 men and concentrations of warplanes and warships.

British officials insisted there was no question of Britain interfering in the negotiations for Minorca's capitulation. They said no British diplomat was aboard during the talks.

JAPANESE TAKE HAINAN ISLAND

France Expected to Protest Move Sharply as Threat to Her Protectorate .

TOKYO, Feb. 10 (Friday) (AP).—The Japanese admiralty and war office in a joint announcement today said a landing had been made on Hainan island, between the British strongholds of Hongkong and Singapore and off the coast of French Indo-China.

The announcement said a naval landing party plus army regulars made a surprise landing "early this morning," and successfully occupied shore positions.

"The landing party and regulars are now advancing," the communique said.

Further details were not given in the terse communication.

Observers, however, considered Japan was making good on her oft-repeated threat to "take necessary measures" against alleged importation of arms for China by way of French Indo-China.

For audacity and surprise the action paralleled the sudden attack at Bias bay Oct. 11, which resulted in the rapid occupation of Canton, China's southern metropolis, and the severing of the Hongkong route for China's munitions.

European Interests Close

In both cases many observers had believed the closeness of extensive European interests would cause the Japanese to hold off.

The landing at Hainan, however, brought the Japanese sphere of influence flush against the French, who sought to checkmate such a move by occupying the Paracel islands, 150 miles south, last July.

France formally notified Japan of this action July 4, declaring only Annamese policemen and customs men had been sent to hold the islands.

However, it was understood from unofficial sources that several companies of Senegalese sharpshooters also had moved to the same area.

A sharp French protest on treaty grounds was expected in foreign circles.

In a treaty signed in Paris in 1907 the Japanese and French exchanged guarantees to respect the mutual

HAINAN OCCUPIED BY JAPAN'S FORCE

From Page One

rights and interests "in regions of the Chinese empire neighboring those territories where they have sovereignty rights."

In military quarters it was expected Japan immediately would establish an air base at Hainan from which to bomb China's railways and highways in the south and southwest which are being utilized as supply routes.

Hainan island, almost half the size of Ireland, is about 260 miles southwest of Hongkong and separated by a narrow strait from Luichow peninsula, a part of Kwangtung province of China.

Across the Gulf of Tongking to the west is Indo-China. Hainan controls the sea lane approaches to the French protectorate.

Japanese occupation of Hainan island would extend Japanese "stepping stones" from her own islands through Formosa to Hainan in a line separating the Philippines from the Asiatic mainland and toward the Dutch East Indies.

Since the Chinese war started, gestures at Japanese occupation have alarmed the British and French repeatedly.

Last June the British and French informed Japan they would act together if the island were occupied.

HRIFT CENTER

ance Styles!

Spring Coats

Negrin left this morning ...om Toulouse, France, by regular Air-france airplane for Alicante. While on French territory he would make no statement of his intentions.

VALENCIA NEXT

Meanwhile, Franco withdrew troops from Catalonia in preparation for an early offensive against the republican forces in south-central Spain.

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"The landing party and regulars are now advancing," the communique said.

Further details were not given in the terse communication.

Observers, however, considered Japan was making good on her oft-repeated threat to "take ... measures" a... of arms for ... Indo-China.

For audac... paralleled t... bay Oct. 1... rapid occu... southern m... ing of the ... munitions.

Europ...

In both c... believed th... European ir... Japanese to...

The landi... brought the... fluence flush... sought to ch... occupying t... miles south, last July.

France formally notified Japan of this action July 4, declaring only Annamese policemen and customs men had been sent to hold the islands.

However, it was understood from unofficial sources that several companies of Senegalese sharpshooters also had moved to the same area.

A sharp French protest on treaty grounds was expected in foreign circles.

In a treaty signed in Paris in 1907 the Japanese and French exchanged guarantees to respect the mutual

HAINAN OCCUPIED BY JAPAN'S FORCE

From Page One

rights and interests "in regions of the Chinese empire neighboring those territories where they have sovereignty rights."

In military quarters it was expected Japan immediately would establish an air base at Hainan from which to bomb China's railways and highways in the south and southwest which are being utilized as supply routes.

Hainan island, almost half the size of Ireland, is about 260 miles southwest of Hongkong and separated by a narrow strait from Luichow peninsula, a part of Kwangtung province of China.

Across the Gulf of Tongking to the west is Indo-China. Hainan controls the sea lane approaches to the French protectorate.

Japanese occupation of Hainan island would extend Japanese "stepping stones" from her own islands through Formosa to Hainan in a line separating the Philippines from the Asiatic mainland and toward the Dutch East Indies.

Since the Chinese war started, gestures at Japanese occupation have alarmed the British and French repeatedly.

Last June the British and French informed Japan they would act together if the island were occupied.

Franco May Turn Next to Valencia

(Compiled From Associated Press and United Press Cable Dispatches.)

Premier Juan Negrin arrived today in the Central Zone of Spain, all that is left in Government possession, for the avowed purpose of carrying on resistance to Insurgent Generalissimo Francisco Franco.

Negrin was accompanied by his Foreign Minister, Julio Alvarez Del Vayo, and several other members of his cabinet.

His whereabouts was not immediately disclosed.

Negrin left this morning from Toulouse, France, by regular Air-france airplane for Alicante. While on French territory he would make no statement of his intentions.

VALENCIA NEXT

Meanwhile, Franco withdrew troops from Catalonia in preparation for an early offensive against the republican forces in south-central Spain.

(Compiled From Associated Press and United Press Cable Dispatches.)

Developments came fast in the rapidly-climaxing Spanish civil war today.

In Paris, an informant close to the French foreign office said the French Government considered that the republican movement of Spain was " no longer in existence" since Government Premier Juan Negrin entered France yesterday.

It was said the reason for the Government's new attitude toward the Loyalists was Negrin's "flight" across the border at Le Perthus. French officials now hold that the Negrin regime has left its own country.

Negrin yesterday took up headquarters in a house in Spanish Le Perthus, but to enter it he had to cross the border, since its entrance is on French soil.

Today Negrin left Le Perthus for Port Bou, apparently headed for Valencia to continue the civil war in Central Spain.

At the same time a fast column of Insurgent troops dashed toward Port Bou in an effort to seize Negrin.

The Insurgents earlier had reached the French border and planted their red and gold flag on the Spanish side. It was the goal of a great offensive which the rebels launched last December 23 and which had wiped out the last Government resistance from northern Spain.

As the Rebels approached the border, an anarchist division of the Republican army opened fire with artillery and machine guns.

In London, it was reported reliably that Great Britain had taken new peace terms from the Spanish Government to the Insurgents. The new terms, it was said, centered mainly on clemency for Negrin's followers.

From Burgos, Insurgent capital, word came at the same time that Generalissimo Francisco Franco, while still demanding an unconditional surrender by his foe, promised there would be no reprisals, and that only those accused of crimes would be tried.

Negrin's departure from Le Perthus was preceded by a morning-long study of Army reports and maps with Foreign Minister Julio Alvarez del Vayo and Gen. Vicente Rojo, Catalonian chief of staff. He also telephoned to Paris, where President Manual Azana was in conference with republican chiefs.

Negrin left by automobile. He was accompanied only by a few secretaries and an Army truck loaded with trunks containing the Government records and his personal belongings.

MAY FLY TO VALENCIA

It was expected Negrin would fly to Valencia from Port Bou if the French permit him. Otherwise he would go by boat. Del Vayo remained behind to supervise the final evacuation of Army refugees from Catalonia into France.

Negrin's departure seemed to indicate that the republican leaders on the Catalonian frontier and in central Spain had decided to defy Gen. Francisco Franco's demand for unconditional surrender and to hold out in Madrid and central Spain with the army of more than 300,000 commanded by Gen. Jose Miaja.

Although Negrin conferred by telephone with Paris, it was not known whether President Azana and the leaders there agreed with his step. Azana so far has insisted that he wants peace.

"La Lumiere" of Paris seems to think that Hitler has designs on Spain that do not square with Franco's plans. In deep ponderation, he calls back to the smiling, corpulent Goering: "I am thinking of the next plebiscite. How do you say 'Ja' in Spanish."

reported steaming to neutral waters with Government and Insurgent representatives so they might arrange surrender of the fortified island, the only major island of the Spanish Balearic group left to the Government.

France, which has coordinated her policy with Britain's over the Balearics, was said to have given full support to the Devonshire's mission. Britain and France were understood to be trying to arrange peaceful Insurgent occupation of the island in return for Franco's promise to keep out Italians.

In Paris, the French Government was understood to have tried to urge on the defenders of Madrid the futility of further resistance in the one-fourth of Spain they still hold. Officials and press reflected that peace might come quickly.

Soviet Russia instructed its charge d'affaires in Tokyo to protest "continuing provocative action of Japanese and Manchukuoans" as tension between Japan and Russia increased over clashes on the Soviet-Manchukuo border. Manchukuo authorities protested to the Soviet consul-general at Harbin, the Domei (Japanese) News Agency said.

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Negrin's final conferences were held at the "capital," house No. 22 on the highway which runs through Le Perthus. It is actually on Spanish soil, but on a tiny "peninsula" projecting into French territory.

REBELS REACH BORDER

Coincident with Negrin's departure, Franco's troops, conquerors of Catalonia, reached the French-Spanish border at Le Perthus and planted their flag at the Spanish side of the boundary.

The Insurgent troops included Falangistes and Carlists from Pamplona. They were commanded by a brother of Juan Ignacio Pombo. who flew across the Atlantic from Spain to Mexico in 1935.

Nearly 200 truckloads of Government war materials were waiting to cross the frontier when a column of 200 Insurgents, with a red and gold flag flying at their head. was sighted marching up the highway from La Junquera.

ABANDON MINORCA

Meanwhile Spanish Government officials abandoned the island of Minorca and Franco began withdrawal of large forces from Catalonia, conquest of which was almost complete, in preparation for a drive against Gen. Jose Miaja's zone in central Spain.

British officials in London said that 450 "refugees," presumably Government officials and "other persons wanted by the Government," had left Minorca on the British cruiser Devonshire.

Earlier, the Devonshire had been Balearics, was said to have given full support to the Devonshire's mission. Britain and France were understood to be trying to arrange peaceful Insurgent occupation of the island in return for Franco's promise to keep out Italians.

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Both sides were reported strengthening their garrisons as fighting entered its second week.

The divisions ordered withdrawn from Catalan operations were sent to the rear to rest before advances against the southern zone, according to the most reliable information available, indicating that Franco might be planning to strike first at Valencia instead of at Madrid.

It was understood there was little likelihood of a let-up in military operations which might give the republicans an opportunity to rally in the south-central zone which they still hold. There was no definite indication, however, as to how soon the central Spain offensive would begin and military experts said that the mere transfer of Franco fighting forces from Catalonia would require some time.

FOOD PROBLEM ACUTE

Nationalist sources indicated that they did not believe the Madrid-Valencia sectors could hold out long against the full force of the seasoned Franco army, particularly in view of the speed with which all of Catalonia was taken.

The food problem in republican Spain was described in Nationalist circles as acute.

Despite spirited declarations of determination to carry on the war by some Government quarters, Insurgent sources said Gen. Jose Miaja, commander of the Madrid-Valencia zone, already was suing for peace.

In London, Great Britain was disclosed to have sent peace proposals to Insurgent Spain and was said unofficially to be ready to lend Franco money to rehabilitate Spain in return for assurances that Italian and German troops would be sent home and that Government fighters would receive clemency.

New fear of international friction from the undeclared war between Japan and China arose from the landing of Japanese troops on China's Hainan Island, off the coast of French Indo-China and between the British strongholds of Hongkong and Singapore.

JAPS SHOCK FRANCE

The action, announced in Tokyo, extended Japan's domination in China far to the south and into American, French, British and Netherlands spheres.

In Paris, the French government was described as shocked. France had asked Japan for an "explanation" of a previous attempt to land on Hainan last year. French officials considered that the 1907 treaty binding France and Japan not to act in China at eacn other's expense prohibited Japan from occupying Hainan. Japanese authorities challenged this interpretation.

Italy Forced To Delay Drive Against France

(Compiled from Associated Press and United Press Cable Dispatches.)

Pope Pius in death may make an important contribution to the peace of Europe for which he worked so hard in life, reports from European capitals indicated today.

Dispatches from Rome, as well as reports in diplomatic quarters in London, were that Italy's campaign against France might be delayed for weeks.

Coincident with these reports a United Press dispatch quoted some diplomatic quarters as believing that Premier Benito Mussolini even before the Pope's death was showing increasing eagerness to reach an agreement with France without precipitating a crisis.

Both Great Britain and France were working urgently, if in greatest secrecy, to end the Spanish civil war and at the same time to see that Spain in peace was freed of Italian and German troops.

BREATHING SPACE

These and other signs led diplomats to believe that the death of the Pope, and the sincere mourning for him in Europe, might give the continent a breathing space during which the threat of international complications could be made more remote.

Italy was the center of the situation for the moment. Dispatches said Italians had quit talking about France and were talking of the Pope's death and the election of his successor. The Italian newspapers had dropped their anti-France articles. It was reported that Premier Mussolini might postpone the speech he had intended to make at Turin February 19—a speech in which he was expected to advance his anti-France campaign another stage. It was reported that but for the Pope's death, the Fascist grand council would have issued a strong communique last night on the French situation.

Rome dispatches emphasized that Mussolini had not abandoned his French campaign and would seek to exact his claims at the proper time, but it was added that he, noted for his ability to sense a situation, had decided that the moment had not arrived to start his campaign. As the Pope's death and the election of a successor will put church news in the most prominent position in Italy for several weeks, it was indicated that any anti-French campaign in the newspapers, designed to stir the Italian people, would have to be started anew.

LOYALISTS SPLIT

Reports reaching the French frontier from Spain said dissension had split Spanish Government Premier Juan Negrin and Julio Alvarez del Vayo, his foreign minister, on one hand, and military leaders on the other.

It was not clear, however, whether disagreement had arisen over peace negotiations with Insurgent Generalissimo Francisco Franco or over the best means of continuing the war in the one-fourth of Spain still in government hands.

Negrin, who returned to Spain from France yesterday, reestablished his capital in besieged Madrid as a symbol of continued resistance, and declared the war would go on until Franco accepted his peace terms—guarantees that Spain be free of foreign influence, a plebiscite to decide her form of government and no reprisals on government supporters.

Franco has refused to consider anything except unconditional surrender by the government.

In Bucharest, Rumanian soldiers firing rifles and pistols in a clash with terrorists, last night repulsed what was said to have been an attempt to seize the Bucharest radio station. A communique said one of the attacking group was killed and fifteen were captured. Neither their identities nor motives were disclosed.

NEGRIN, VOWING TO FIGHT, FLIES BACK TO SPAIN

Confers With Miaja, Asserts New Headquarters to Be Located at Madrid

BRITISH THINK END NEAR

Agent Sent to Burgos—Last Border Post in Catalonia Occupied by Insurgents

By the Associated Press.

PERPIGNAN, France, Feb. 10.—Premier Juan Negrin, of government Spain, flew back to Spanish soil today apparently still determined to fight to the end against the insurgents.

But Insurgent Generalissimo Franco's forces had planted their banners at Puigcerda, the last frontier post abandoned by fleeing government troops in northeast Spain, and neutral observers predicted peace in Spain within a few days.

Despite firm government declarations of continued resistance and denials of any peace negotiations with Franco, the date of Feb. 18 was suggested for the surrender of central Spain. The civil war then will be just thirty-one months old.

In London, British Prime Minister Chamberlain conferred with a cabinet committee on the question of early recognition of the Franco government by both Britain and France. Chamberlain was said to believe the end of the war was imminent and to favor every possible inducement to the insurgents, financial and political, to counter Italian and German influence.

To Ask Guarantees

Sir Robert Hodgson, British agent in Burgos, the insurgent capital, started back there from London with fresh instructions. Informed sources understood he had been ordered to ask Franco for specific guarantees of clemency for Spanish government leaders as an essential condition for surrender.

Negrin, who had crossed into France, flew by commercial airliner from Toulouse to Alicante, Spain, and from there went to Valencia.

Both Negrin and his foreign minister, Julio Alvarez del Vayo, conferred with Gen. Jose Miaja, commander-in-chief of all government forces in the one-fourth of Spain left to the government in the central zone.

The ministers were believed to have encouraged Miaja, "savior of Madrid," to hold out.

At the same time, Miaja termed "absurd" reports that either he or his general staff had negotiated with Franco for peace.

(At Valencia Premier Negrin announced tonight that the new Spanish government headquarters would be located in Madrid.

(Both Negrin and Miaja said they intended to "fight to the end" from central Spain, including Madrid, Valencia and Alicante.

Alicante Bombed

(Insurgent bombers raided Alicante as Negrin and Alvarez del Vayo conferred there with Civil Governor Ricardo Mella. There were no casualties, but heavy property damage. It was the third raid in twenty-four hours, seventeen persons having been killed and thirty-five wounded in the previous two.

(Several were injured in an insurgent raid on Cartagena, and two British ships were struck by insurgent bombers at Valencia. The premier said he planned a lightning survey of the central zone's defenses, troops and war supplies.)

The insurgents' occupation of Puigcerda gave them control of all frontier posts along northeast Spain's border with France from the Atlantic to the Mediterranean.

Except for a few pockets, mostly in mountainous country where the government's defeated Catalonian army

See Page Two, Column Two

NEGRIN FLIES BACK, VOWS TO CARRY ON

From Page One

still was in Spanish territory, Franco's armies had achieved the goal of the great Catalonian offensive they launched last Dec. 23. The last of the government's tattered soldiers were expected to cross into France by tomorrow.

Franco, in keeping with his pledge to the French government, held his Italian troops far from the border and left mostly Navarrese as sentries on the French line.

Before the entry to Puigcerda, the insurgents had advanced their conquest to the Mediterranean at Port Bou, easternmost point of the French-Spanish border. Many of its buildings had been blown up or burned in blasts set off by the fleeing government troops to destroy munition dumps.

REBEL PLANES HIT VALENCIA; 20 ARE KILLED

Negrin Is Reported to Have Quarreled With Military Aides in Central Zone

7 MINISTERS REJOIN HIM

Premier Sticks to His Peace Demands—Britain Likely to Recognize Franco

By the Associated Press.

PERPIGNAN, France (Near the Spanish Frontier), Feb. 11.—The Spanish insurgents, conquerors of Catalonia, turned their military might today against Valencia as peace efforts in the Spanish civil war marked time and the government stuck to its refusal to surrender.

Seven ministers flew from France to join Government Premier Juan Negrin, who was reported from Alicante, Spain, to have quarreled with military commanders in the fourth of the country his troops still hold.

Negrin scarcely had time to reorganize his administration in the central Spanish zone before insurgents again began air raids on Valencia, the government's key port.

At least twenty persons were killed and forty injured in five air raids believed to have been made from the Italian-controlled air base on the island of Mallorca, off Spain's Mediterranean coast.

The 1,235-ton British freighter Lucky was partly sunk by a direct hit while unloading supplies.

All but Three Present

Negrin presided at a cabinet meeting with all but three of his ministers, reassembled after their dispersal in France when Insurgent Generalissimo Franco's advance to Catalonia's frontier with France put the government to flight.

(Cabinet ministers who returned to Valencia today, officials said at Madrid, were Francisco Mendez, finance; Paulino Gomez, interior; Bernardo Giner Rios, communications; Antonio Velao, public works; Jose Moix Regas, labor; Vicente Uribe, agriculture, and Tomas Bilbao Hospitalet, minister without portfolio.)

Reports reaching the border from Alicante said that Negrin, backed by his influential foreign minister, Julio Alvarez del Vayo, had differed with military leaders. Whether the reported rift was over peace negotiations or plans to continue the war was not apparent, however.

Despite Franco's refusal to consider anything except unconditional surrender, Negrin still insisted that Spain's freedom from foreign influence, a plebiscite to determine her future government and clemency for government supporters be conditions for peace.

British Court Franco

LONDON, F b. 11 (AP).—British and French recognition of Generalissimo Franco's regime as the legal government of Spain apparently is the next move of the democracies to sway the Spanish insurgents from fascist and nazi influence.

Informed quarters expressed belief tonight that such recognition might be granted next week.

Britain and France, seeming now to accept Franco as the inevitable victor in Spain's long civil war, want to outbid Italy and Germany for his favor. They want a Spain free of Rome-Berlin influence because Spain lies athwart vital channels of commerce and empire for both.

London and Paris see signs already that Franco wants to deal with them despite the military aid he has received from Germany and Italy.

British and French capital for reconstruction in Spain would be the chief inducement to Franco to prevent Italy and Germany from gaining a permanent foothold on the Spanish peninsula.

The British market, long a vital one for Spain's exports, is another.

Financial circles here believe Franco must get foreign money from London because the economic situations and closed economy systems in the authoritarian states make the possibility of floating loans in Berlin or Rome highly problematical.

THE OLD MAN OF THE MEDITERRANEAN

By Fred O. Seibel in the Richmond Times-Dispatch

A MESSAGE FOR HIM?

By Carmack in the Christian Science Monitor

Friction Between Paris and Rome Brings Scare to Port of Djibouti

By the Associated Press.

DJIBOUTI, French Somaliland.—This dingy, dirty, dusty, torrid French port on the Gulf of Aden, which serves as a capital of French Somaliland, is in the throes of a war scare and a profound business slump.

Not since Italy was threatening war on Ethiopia over the Wal Wal incident have the inhabitants been so depressed and worried. The few Greek, Armenian, French, Indian and Arabian traders who fled here from Abyssinia when Italy seized that country fear Italy may now attempt to annex Djibouti, which she could use as a port for Ethiopia.

Ethiopia is sandwiched in between French Somaliland, British Somaliland, Italian Somaliland and Italy's Eritrea, with no port of her own.

Therefore, the former kingdom of Haile Selassie is forced to depend upon Djibouti for her railroad, which is owned by France, as a gateway to and from the outer world.

The Italians have failed to secure any voice in the administration of the Djibouti port and have been denied also control over the 575-mile French-built narrow-gauge railroad line from Djibouti to Addis Ababa, capital of Ethiopia.

No Italian steamers, cargo boats, passengers or freight enter Djibouti. They reach Ethiopia by way of the Italian port of Massana, which is north of Djibouti, in Italian Eritrea, or via Mogadiscio, in Italian Somaliland, south of Djibouti.

In order to reach Addis Ababa or the interior of Ethiopia travelers must then make a long, difficult, tiresome and expensive motor trip from those ports over desert, mountain and valley to Addis Ababa. Owing to the danger of attack by armed Ethiopian natives, they travel only in daylight and spend the night along the road in hastily built makeshift rest houses, which are declared to be a menace to the visitor's health, because in winter they are freezing cold and in summer exposed to the fierce tropical heat.

On the other hand, the trip over the French-owned railroad line from Djibouti to Addis Ababa takes only one day, is far more comfortable and less expensive.

When the Italian avoidance of Djibouti and the Djibouti-Addis Ababa railroad will cease is very uncertain, because Italian-French relations appear to be steadily worsening.

The railroad now carries only a small fraction of the freight and passenger traffic it handled before Italy annexed Ethiopia, although the line has been improved and the number of locomotives and passenger coaches increased.

In the meantime, due largely to the Italian attitude, Djibouti has lost virtually all her trade with Ethiopia, and the port of 30,000 inhabitants, which once was notorious in the African slave trade, has become a dead city.

Most of the foreign steamship lines, as well as the Italian companies, have ceased calling at Djibouti, owing to lack of business. One of the reasons is that foreigners are not particularly welcome to the Italian authorities in Ethiopia. Some foreigners are suspected of being active or potential spies for other governments.

Most of the foreigners resident in Italy's new African "empire," including missionaries and doctors, either have been expelled or asked to leave.

The United States has not recognized Mussolini's new empire and has closed the legation and consulate in Addis Ababa. There still is a consular agent in Djibouti, an American-educated Armenian named V. H. Condayan, a graduate of Robert college (American) at Constantinople.

Aware that Mussolini desires Djibouti as a port for his African empire, the French defense authorities are on the defensive. They expect to have here soon a total of about 10,000 Senegalese soldiers with full equipment, artillery, tanks, airplanes, etc., thus increasing France's present military strength here by more than threefold.

The French also have fortified an island commanding the entrance to Djibouti harbor. They claim it is capable of repelling any bombardment from the land, sea or air. In addition, there are two French torpedo boats on guard in the harbor and a French airplane carrier with forty airplanes is said to be stationed near by.

The British have a number of warships and ample supplies and munitions at Aden, which is only six or seven hours cruising distance across the gulf from Djibouti. The British also have a number of military units and considerable stores and munitions at Berbera and other ports in British Somaliland, just south of Djibouti and within easy reach of the French.

The British could easily dispatch naval and military help through the Suez canal and from India.

While Italian relations with the French have reached an acute stage of tension, the Italian army is reported to be having difficulty in its attempts to pacify, colonize and develop Ethiopia.

A considerable part of the native population, which has enjoyed liberty from foreign invasion for thousands of years in the mountain strongholds, is reported to be well armed with modern firearms.

Strong Ethiopian rebel units are reported to be harassing the Italian troops. Their arms and munitions are said to be smuggled across the border from the Sudan, from British and French Somaliland and also across the Red sea.

The commander of the largest and best of these Ethiopian rebel armies is named As Balambaras Abeba Arragai, former chief of police in Addis Ababa and a trusted lieutenant of Emperor Haile Selassie. The pale-faced insurgent, who weighs nearly 250 pounds and is nearly six feet in height, is only 35 years old.

During the Italian-Ethiopian war in 1935-1936 this strong son of the Shoa tribe was known among American and foreign newspapermen as "the most polite and kindest man in Ethiopia."

Today, he is known among Ethiopians as "the fighting lion of Judah."

Mussolini wants Djibouti as an outlet for Ethiopia. The duce is seen above with his axis-mate, Her Hitler.

FAR EASTERN ISLAND HELD POWDER BARREL

Hainan Commands Sea Lanes to France's Most Populous Overseas Possession, Indio-China; Is 700 Miles From Philippines

LONDON, PARIS WARNING FLOUTED

BY ALBERT E. CARTER

In her occupation of Hainan island last week, Japan trod more heavily on the toes of occidental powers who have interests in the Far East than at any other time since the outbreak of the Sino-Japanese war in the summer of 1937.

Due to the vitally strategic position of this island, which lies within forty miles of the South China coast and dominates the sea approaches to French Indo-China, Hainan has long been termed the "powder barrel of the Pacific."

Japan is interested in the island for a number of reasons, among the most important being the fact that it straddles her trade routes to Australia, the South Seas, India and Europe.

Strategically, however, it is most important to Japan as a base for military and naval action. In addition to constituting a threat to Indo-China and being a potential base for naval and air operations against the Philippine islands and a step in the much-discussed Japanese plan for expansion toward Australia and the Netherlands East Indies, Hainan may be used as an air base from which planes will operate against trade routes from Indo-China and Burma into southwest China. These routes are today a principal source of war supplies for the Chinese and it may be that by operating against them Japan hopes to "starve out" the Chinese generalissimo, whose headquarters are now in inaccessible Chungking.

France's chief interest in Hainan is to be found in the threat that its occupation by a potential enemy, such as Japan is to Indo-China. This territory is France's most important possession in the Far East and her most populous (21,599,582) territory anywhere overseas. Also it has more varied natural resources than any other French possession and is rapidly becoming more and more important as a market for French products and as an outlet for French capital. Furthermore, it ranks third as a source of raw materials for the motherland.

Plans are under way to fortify commodious Cam-Ranh bay as a naval base. It was in this bay that Admiral Rodjestvensky's fleet of 145 ships found shelter while en route to disaster in the Russo-Japanese war. Halfway between the British crown colony of Hongkong and Britain's great naval base at Singapore, Cam-Ranh bay is also only 700 miles from both Manila and the Netherlands East Indies. Since the modern battle fleet has a comfortable battle radius of about 1,500 miles from its base, development of this bay by the French will prove an important move in the strengthening of the occidental powers' position in the Far East.

Saigon Is Call Point

Indo-China is also important to France because the capital, Saigon, is a call point for ships operating between France and the Far East, while Hanoi, in the northeast, is a terminal for air service between Europe and China.

Some observers are of the opinion that France blundered in failing to occupy Hainan at the same time she took over Indo-China, instead of depending on the Franco-Chinese treaty of 1898, in which the Chinese government agreed not to cede the islands to any other country without first obtaining the consent of France.

France probably had little reason to regret this omission until the outbreak of the current Sino-Japanese war. Probably anticipating trouble with the Japanese over her arms traffic with China, France in October, 1937—just three months after the "China incident" began — decided to limit the shipment of arms through Indo-China into China proper to orders placed before the war began or shipments which were at sea before Oct. 12. The Japanese, apprised of this decision, were unconvinced and from time to time have complained to France about the alleged continuance of arms shipments through the French far eastern possession.

From the beginning of the war, France feared that on some pretext or another Japan would occupy Hainan island, only 100 miles east of the Gulf of Tongkin, but in June of last year Paris' fears were somewhat allayed when Gen. Ugaki, then Japanese foreign minister, flatly denied that Japan had any intention of occupying the island. Three days later, however, a foreign office spokesman nulled the foreign minister's assurance by declaring that Japan "may occupy Hainan island if such action becomes necessary in the campaign to crush the national government (of China)." Soon afterwards, charging that Chinese military establishments on the island were menacing Japanese warships operating off South China, Hainan was subjected to naval and air bombardment.

London, Paris in Joint Statement

This prompted France and Great Britain to issue a joint statement in which they said they would "act" in the event of a Japanese attempt to occupy the island. There the matter rested for the next few months, but last fall, when Japanese troops moved into South China, captured Canton and cut off Hongkong's vital trade routes with the interior, French and British uneasiness grew. Despite Japan's activities around Hainan last summer and regardless of her swing into South China, Great Britain and France were apparently taken by complete surprise by the Nipponese occupation of Hainan last week.

This new step by Japan was well timed, as have been almost all her moves involving the interests of occidental powers. With a new crisis rapidly approaching in Europe, when in all likelihood within the next few weeks the British and French are to be confronted by a joint Italian and German demand for a colonial reshuffle, London and Paris are in no position to "act" in the Far East. Certainly they would not be so foolish as to dispatch to the Orient a force sufficient to deal with the situation there when danger threatens in their front yard.

Noteworthy is the fact that Japan's occupation of Hainan followed so closely the United States' proposal to fortify Guam. Lying only 1,500 miles from the Philippines and a little less than that distance from Yokohama, Japan's principal port, an American naval base in the tiny Pacific island would certainly greatly weaken Japan's position not only in any possible aggression against this country, but in any contest in the Far East in which we chose to take part. Thus Japan's move may in a measure be an answer to the United States. Though Hainan is not as close to the Philippines as is Japanese-owned Formosa, it is, nevertheless, only about 600 miles away from Manila, an easy striking distance for either airplanes or naval vessels.

Philippines as Stepping Stone

Military and naval experts believe that should Japan ever wish to launch a campaign against Australia or the Netherlands East Indies, it will be necessary for her first to take and then use the Philippines as a stepping-stone. The same result, however, might be effected through the seizure of Indo-China. The latter route would have the added advantage of not directly involving the United States, unquestionably Japan's most formidable potential enemy in the Pacific.

On the other side of the ledger, however, are two things worth considering. Faced with piecemeal seizure of Indo-China, the Netherlands East Indies, Australia, the Malay peninsula and the Philippine Islands, Britain, France, The Netherlands and the United States might decide to act in concert and scotch the Japanese threat in its infancy. There is also the point that Japan's position in China is far from satisfactory, that she is greatly overextended and that in the present circumstances any third power, such as Russia or the United States, particularly the former, would probably find her comparatively easy to deal with.

Thus it would seem that in occupying Hainan island Japan took a great risk, whose chief chance of success lay in the hope that the troubled situation in Europe will immobilize Britain and France until Nippon can establish herself there. If by sending out raiding planes from this base Japan is able to cut the trade routes into Yunnan, the risk may prove worth the effort. But if it fails Japan will simply have one more front to defend. And it should also be remembered that, even though his Yunnan trade routes are cut, Gen. Chiang can still fall back on his supply line from soviet Russia.

But How to Get Him Back in the Bottle?

Brazil Wants To Buy U. S. Planes

WASHINGTON.—(U. P.)—Reliable sources said today that Brazil is inquiring in this country for the purchase of light planes and machine guns for establishment of an "air infantry" corps to augment its national defense forces.

A license was obtained in December for purchase of $82,000 worth of machine guns, the State Department revealed last week. Military authorities said that sum would purchase 165 to 170 of the light .30-caliber guns.

Other inquiries have been in progress for several weeks, it was said, although official confirmation was not forthcoming, for the purchase of a quantity of light, maneuverable planes, similar to the United States Army's training planes. They are capable of carrying two or three men and a machine gun for use on the ground, and able to land in a small field.

Administration officials said sale of either the planes or the machine guns would involve no new policy here, so long as sales were on a cash basis and by private armament or plane manufacturers. The United States has sold many military and commercial planes to Latin-American countries during the last two years.

It was believed that plane purchases may be on the list of subjects being discussed with officials here by Foreign Minister Oswaldo Aranha, now in Washington as the guest of this government.

France Reassured By Japanese

TOKYO.—(U. P.)—Foreign Minister Hachiro Arita has assured French Amhbassador Arsene Henry that Japan has no territorial designs on Hainan Island, off the South China coast, and intends to occupy it only so long as is militarily necessary, the Foreign Office said today.

Henry visited the Foreign Office by order of his Government to inquire about the Japanese occupation because the island lies off French Indo-China.

Britain Soon To Recognize Rebel Regime

Hull Says U. S. To Meet Challenge With 'Determined Defense.'

WASHINGTON.— (A. P.) —An assertion by Secretary Hull that America would meet any foreign challenge with "determined defense and resistance" served today as a prelude to the first congressional debate over the $552,000,000 armament program.

Hull told a radio audience last night that as long as there was any possibility of attack it was "the sacred duty of any government worthy of the name to maintain adequate defensive forces."

The definition of "adequate forces" will become an issue when the House takes up tomorrow a bill to authorize $300,000,000 for new army planes, $23,000,000 for Panama Canal defense and $32,500,000 for civilian pilot training.

WANTS LONGER PROGRAM

Although opponents admittedly held little hope of making important changes in the measure, Representative Martin of Massachusetts, the Republican floor leader, advocated spreading the Army's purchase of 3,000 new planes over three years instead of two.

Lengthening the program, he said, would prevent possible overstimulation of aircraft production. Furtherfore, he declared, there is no immediate threat of war in which the United States might become involved.

Another phase of the controversy over national defense and foreign policies came before the Senate Military Committee. It faced the problem of deciding whether to make public an official, but edited, record of its inquiry into the proposed sale of American-made warplanes to France.

Foreign plane transactions brought from Senator Nye (Rep., N. D.) a charge last night that President Roosevelt's foreign policy was "so dangerous as to convince many that a war now in Europe would guarantee our participation in it."

In a radio debate with Senator Lee (Dem., Okla.), Nye pleaded for a "mind-our-own-business" foreign policy, "at least until that time when certain conditions should prevail."

STRICT EMBARGOES

He advocated imposition of "strict embargoes against a trade boom based on war," outlawing of war profits for individuals and a constitutional provision for a popular referendum before declaration of war.

Lee, who like Nye is a member of the Senate Military Committee, supported Mr. Roosevelt's foreign policies, asserting that the President had steered "a straight course toward peace" through one crisis after another.

Chamberlain Says His Government, Not Commons, To Make Decision

(By the Associated Press.)

British Prime Minister Chamberlain, addressing the House of Commons today, hinted at early recognition of the Insurgent regime as the Spanish government, but said his government—not Commons—would do the deciding.

Meanwhile, Insurgent guns and planes carried the civil conflict back to central Spain, concentrating on Madrid, again the seat of the government.

Asked by Laborite Arthur Henderson first for assurnce that recognition was not contemplated and whether the house would be consulted, the appeasement prime minister said a rapidly changing situation forbade such assurance and "the government must take the responsibility."

Henderson also asked "how it happened that at least six air attacks" were carried out last week against the then Spanish government island of Minorca "by Italian planes" while surrender negotiations were in progress on board the British cruiser Devonshire.

FRANCO'S REGRETS

The prime minister responded by reading a telegram from the British consul at Palma, Mallorca, Franco's Balearic Island air base, who had been authorized to say the attack on Minorca was 'in disobedience of orders and is very much regretted."

Although Britain had been expected to await the fall of Madrid and Valencia before extending formal recognition to the Spanish regime of Insurgent Generalissimo Franco, there were indications she might proceed more rapidly.

London and Paris both are eager for Franco's friendship, whom they now consider the eventual victor in the Spanish war, to thwart possible German-Italian influence in Spain across their lines of empire communications.

Government dispatches from Madrid, where Premier Juan Negrin's cabinet has reestablished the capital, said Insurgent shells had killed sixteen persons and wounded twenty-three in a bombardment yesterday of the besieged city. They said more than 100 died in an Insurgent air raid on Jativa and twenty in a raid on Alicante.

A proclamation by the Spanish Government yesterday called on all to carry on resistance "to assure the independence of Spain and prevent our country from being drowned in a sea of blood, hatred and persecution."

Except for a tiny section of Catalonia, where a handful of Government troops still resisted against overwhelming odds, Franco was master of all Northeast Spain.

In London, George Rublee, American director of the Intergovernmental Refugee Committee, placed before the body the German Government's promise of a conditional truce with Jews, and his own resignation.

The resignation, which he had deferred to complete negotiations with Germany, was understood to have been accepted and a new director, not an American, appointed.

Reichsfuehrer Hitler's refugee plan was understood to make four main points:

1. Jews would be permitted to return to German trade and industry until their emigration could be arranged.

2. Young Jews would be permitted to leave Germany provided they arranged later to help their parents and other relatives emigrate.

3. Older Jews would be guaranteed against further anti-Semitic Nazi legislation.

4. A trust fund would be created out of Jewish property in Germany to enable departing Jews to finance their emigration.

HULL DECLARES U. S. WILL RESIST 'ANY CHALLENGE'

SEES 'SPECTER OF WAR'

Says It Is Sacred Duty of Government to Keep Adequate Defenses

CITES DEVOTION TO PEACE

But Asserts That a Nation's Will May Be Thwarted by the Actions of Others

By the Associated Press.

WASHINGTON, Feb. 12.—Secretary Hull warned the world tonight that the American people would reply with "determined defense and resistance" to any challenge to their "most vital and cherished interests."

Speaking on a national radio hookup in a broadcast arranged by the New York World's fair, the secretary of state said: "So long as such a possibility (of challenge or attack) exists, it is the sacred duty of a government worthy of the name to maintain adequate defensive forces."

"In times like the present," he continued, "when the specter of a new major armed conflict haunts the world, the issue of war and peace becomes an intensely personal one. It touches every one of us. It is ever present in our homes, in our places of work and recreation, in the cities and on the farms."

He added that this nation is sincerely devoted to the cause of peace and believes there are no international differences that cannot be settled peacefully.

Only if Both Sides Willing

"Yet," he declared, "we also know that circumstances may arise in which a nation's will to remain at peace may be thwarted by the actions of others. Peaceful settlement is possible only if both sides are willing to resort to it.

"This nation's most vital and cherished interests, however, may be challenged and attacked by another nation, and to such a challenge a free people like ours can offer no other reply but determined defense and resistance."

The maintenance of adequate defense forces to parry such a peril, Hull added, "must go hand in hand with unflagging efforts to prevent war by perfecting the machinery of peace and by eliminating the causes of conflict. Both of these problems loom large in the government's work in the field of foreign relations."

Hull called for the observance of international law as "the primary basis of civilized relations among nations."

"Such a code of international conduct," he explained, "is essential as an indispensable foundation of all international relationships. * * * Human rights and property rights lie at the very foundation of international relationships. These rights must be defined, and they must be maintained."

Security Abroad Essential

The secretary said that "an American citizen traveling abroad—whether on business, on pleasure or in pursuit of cultural aims—must have at least a reasonable expectation that he will sustain no deliberate injury and will not be subjected to arbitrary maltreatment by action of governmental authorities of another country."

He mentioned two duties of the government in this connection—first, "to secure a fair definition of the rights of our citizens abroad," and, second, "to maintain the rights of our citizens thus established and to afford our citizens abroad a full measure of appropriate and legitimate protection."

He said the government was devoting an important part of its conduct of foreign relations to removing and reducing barriers to trade.

"In doing this," he said, "it is actuated by the firm belief that to give private enterprise in international commerce a freer and wider scope of activity will not only enhance the economic well-being and, therefore, promote social stability within nations, but will also remove some of the most dangerous causes of international friction and thus strengthen the foundations of world peace."

Hull characterized the men and women in the state department and the foreign service as "our nation's first line of international friendship and its first line of defense."

"Through their work," he said, "our government seeks in every way to place our country's foreign relations on a basis of fair dealing and mutual benefit to all concerned, and thus to promote the welfare of our citizens and to preserve peace for our nation."

RUBLEE STATES NAZIS PROMISE TO LOWER BARS

Refugee Worker Says Hitler May Permit Jews to Take Some Wealth From Reich

By the Associated Press.

LONDON, Feb. 12.—George Rublee, American director of the international refugee committee, told officials of the body tonight that Reichsfuehrer Hitler had promised to lower bars against Jews in German trade and industry, provided the committee accepted his plan for removing them from Germany.

Rublee, who left Berlin Feb. 2 after long negotiations, explained the results of his trip at a dinner given by Myron Taylor, United States member of the refugee committee.

He was reported reliably to have said also that Hitler had agreed to a "political truce" with the Jews pending the committee's decision on the proposed emigration plan.

Representatives of thirty-two governments which belong to the committee will meet here tomorrow at 11 a.m. (5 a.m. central standard time) to consider the scheme containing specific offers by the nazi government.

Specific Statement Made

The fuehrer, it was said, made a specific statement about the percentage of capital and property he would permit Jews to take with them from Germany. Although a committee spokesman would not disclose the figure, it was believed to be about 15 per cent.

Germany, however, has indicated she might permit rich Jews to use some of their money to finance the emigration of poor Jews.

(Before Rublee left Germany he said his conversations would "lead to a very great improvement in the situation.

(It was insisted on the German side, however, that a secret document giving German reactions to proposals for mass Jewish emigration, supposedly the fruits of Rublee's talks, was entirely his work.

(Dr. Helmuth Wohlthat, Field Marshal Hermann Wilhelm Goering's personal representative, initialed it, but Germans were emphatic that there had been no official negotiations. Wohlthat, they said, acted only as a private person intrusted by Goering with answering questions and explaining the situation for Rublee and his aides.

(Wohlthat succeeded Dr. Hjalmar Schacht in the conversations after Schacht was ousted as president of the Reichsbank during Rublee's Berlin visit.)

The intergovernmental committee, which is concerned with refugees in general, including German Jews, may be asked to float a large loan to help finance the exodus from Germany of 75,000 young Jews within the next

FRANCE IS TOLD SEIZURE OF HAINAN 'TEMPORARY'

TOKYO, Feb. 13 (Monday) (AP).—Foreign Minister Hachiro Arita assured French Ambassador Charles Arsene Henry today that Japan had occupied the Chinese island of Hainan, near French and British empire lifelines, only for military reasons and that the occupation would last only as long as military necessity demanded.

The foreign office issued a statement that "Arita assured the ambassador that the occupation has the military object of strengthening the suspension of traffic of Chinese vessels off South China and thereby accelerating the collapse of the Chiang Kai-shek administration."

LEFTISTS URGE 'HEROIC FRONT'

United Resistance Is Asked 'Pending Arrival of Peace' With 'Safety, Liberty'

MADRID, Feb. 12 (AP).—The Spanish government tonight appealed for united resistance against the insurgents "pending the arrival of peace in an atmosphere of independence, safety and liberty."

The proclamation was broadcast to all the people in what is left of government territory after Premier Juan Negrin had called his cabinet together for a meeting under the roar of an insurgent shelling of Madrid.

After removing to Valencia and then to Barcelona in the course of the thirty-month war, the Spanish government again was back in Madrid, the traditional capital of Spain.

"Either we shall all save ourselves or sink ourselves in extermination," the proclamation said.

Fight Is for Peace Terms

The appeal indicated the government intended to fight until Insurgent General Franco offers peace terms acceptable to Negrin, who has asked the removal of Italian-German influence from Spain and amnesty for government leaders.

Franco thus far has insisted upon an unconditional surrender and today he continued his air raids on government cities.

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The intergovernmental committee, which is concerned with refugees in general, including German Jews, may be asked to float a large loan to help finance the exodus from Germany of 75,000 young Jews within the next year, some quarters predicted.

Hitler was said to have scrapped an original plan by Schacht which would have demanded that foreign governments buy Jews out of Germany by increasing their purchases of German goods.

Rublee had been instructed before he went to Berlin to tell nazi officials such a plan would not be acceptable to the governments represented on the committee.

It was generally believed that the latest plan would be accepted, at least as a basis for negotiations. Another attempt may be made, it was said, to get the nazi government to raise the percentage of capital and goods for Jews to take away with them.

Nazi officials were understood to have agreed to a suggestion by Rublee that a central Jewish emigration office be established.

If the intergovernmental committee accepts the new plan, it was understood, it will be placed in charge of the central office and instructions will be issued to local officers and police in Germany not to take action against Jews without the office's approval.

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One hundred persons were reported killed and scores wounded at Jativa, forty miles south of Valencia.

Sixteen were killed and twenty-three wounded in the Madrid shelling.

The government proclamation said: "Either we shall all save ourselves or sink ourselves in extermination and opprobrium. Our fate is at stake and it depends entirely upon ourselves to come out successfully from the present situation through our own will power and determination."

Admitting it was facing an immense task, the government appealed for "impassionate co-operation" in order to form "a compact heroic national front."

"There is no room for other discussion than absolute identification with the government, as the latter is preparing the defense of uninvaded Spain pending the arrival of peace in an atmosphere of independence, safety and liberty."

FRANCO TO HIT POLITICAL FOES

Exile and Loss of Citizenship Provided—Law Goes Back to 2 Years Before War

BURGOS, Spain, Feb. 13 (AP).—Anticipating a complete insurgent victory in the near future, Generalissimo Francisco Franco today promulgated a decree imposing penalties on persons in conquered territory deemed hostile to the insurgent cause.

Exile and loss of citizenship are two of the penalties provided for in the decree, which covers activities of Spaniards for nearly two years before outbreak of the civil war. Insurgent officials here said these two punishments were the most severe imposed.

The decree also provided for dissolution of all parties of the progrovernment popular front and confiscation of their property, and set up special tribunals to determine the civil status of persons in conquered territory.

"Law of Responsibilties"

The decree is called the "law of political responsibilities." Insurgent authorities said it was designed to harmonize the civil interests of the conquerors and the conquered under insurgent rule, and to protect the economic life of individuals, especially those living in territory recently in government hands.

It is intended, they said, to assure that persons innocent of "subversive activities" against the insurgents will have the same civil rights as have been accorded the people of insurgent Spain.

The decree imposes penalties upon those Spaniards who from Oct. 1, 1934, date of a leftist uprising in the Asturias, to the start of the civil war, July 18, 1936, "contributed to aggravation of subversive activities by which Spain was victimized."

It further imposes punishment on those persons who after the start of the civil war were guilty of "grave political acts of omission or commission."

Possible Exile Provided

Persons accused of traitorous acts or misuse of political power prior to start of the civil war and those who subsequently directed or led political organizations opposed to insurgent Spain are subject to possible exile to a Spanish territorial possession or exile to some other part of Spain distant from their former home, and loss of Spanish citizenship.

Tribunals composed of representatives of the army, ministry of justice

NAZIS TO EASE JEWS' BURDENS FOR TIME BEING

Will Permit Some Freedom to Work as Concession in Emigration Plan

By the Associated Press.

LONDON, Feb. 13.—President Manuel Quezon, of the Philippines, offered lake-dotted Mindanao island as a haven for "several thousand" refugees today as the intergovernmental committee received Adolf Hitler's latest plan for getting Jews out of Germany.

The offer was made at a session of the refugee committee to which George Rublee, American director, presented his resignation. He was succeeded by Sir Herbert Emerson, League of Nations assistant high commissioner for refugees.

Details of Hitler's Plan

Rublee, who said in resigning that he accepted the post only temporarily, presented Hitler's plan, which was understood to have stipulated:

First—That from 150,000 to 200,000 young "Jewish wage earners" be sent out of Germany as soon as possible.

Second—That those remaining be permitted a certain amount of freedom to work and live, provided the younger Jews eventually arrange to take their parents and other relatives out of the country.

Third—The creation of a trust fund out of Jewish property in Germany from which Jews would be permitted to draw in proportion to their wealth.

Fourth—Older Jews would be guaranteed against further nazi anti-Jewish legislation while the emigration scheme was in operation.

Germany's failure to guarantee an adequate supply of foreign currency to her involuntary emigrants was criticized generally by the delegates.

Others Bear Most of Expense

They estimated that their governments, under Hitler's plan, in the long run would be expected to provide about 75 per cent. of the cost of settling the refugees.

Quezon's proposal was presented through Myron C. Taylor, United States representative, who read the Philippine communication to the representatives of the thirty-two governments participating in the committee.

The Philippine president estimated his government could take at least 1,000 refugees annually. He stressed the desire of his island commonwealth to take a small number of doctors and other professional men, but indicated that most of those accepted would have to settle down to a life of farming.

Taylor told the committee the United States government was convinced the world could absorb all Germany's refugees without radically changing

Nazi Fuehrer Compares Self With Bismarck

Launches Reich's Biggest Battleship; French Cabinet Splits Over Spain.

LONDON. — (A. P.) — The intergovernmental committee on refugees authorized today the establishment of a private international corporation to finance a five-year $300,000,000 plan for the emigration of Jews from Germany.

The refugee committee disclosed it would try to move 150,000 young Jews from Germany in the first year of the plan's operation.

The new corporation will be formed as soon as possible to lend financial help to this undertaking.

(By the Associated Press.)

Germany's Fuehrer saw the Reich's newest and greatest battleship slide down the ways at Hamburg bearing the name of Bismarck today and declared the iron chancellor's hopes had triumphed at last—through Adolf Hitler.

Before 50,000 heiling Nazi dignitaries and onlookers, Hitler seized the opportunity of picturing the creator of the German empire as much the same kind of a man as himself—destined by Providence to be a lonely figure fighting againts a world of obstacles.

The spirit of Bismarck, he said, should shine before the eyes of those who man the new 35,000-ton warship—another advance on Nazidom's self-styled "road of destiny" for 1939—"in the hours of the most difficult performance of duty."

He said Bismarck stood forth among all others who helped create the "preconditions for the present-day greater Germany," and added:

"Everywhere the nonentities arose in opposition to the only genius of his time.

"It was a fight which only he can appreciate who himself has been compelled to face such a world of obstacles."

Hitler said the destruction of the German fleet after the World War "even today grips painfully at our hearts," and shouted that National Socialism "tore the nation out of its rut and led it to new domestic and foreign successes."

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Taylor told the committee the United States government was convinced the world could absorb all Germany's refugees without radically changing present immigration laws.

U. S. Quota Filled to 1941

He stated the United States now was taking 30,000 German refugees annually, that its quota was filled for two years in advance and that many German Jews were being permitted to remain in the United States on temporary permits.

The Dominican Republic representative, Dr. Max Henriques Urena, estimated his government could take 100,000 refugees under certain conditions.

Australia offered to take 15,000 over a period of three years.

In addition, Lord Winterton, committee chairman, reported on the possibilities of settling refugees in British Guiana, South America and Rhodesia, in Africa. The Netherlands delegate promised help in settling some in Surinam.

Investigating committees will be sent to the Philippines, British Guiana and the Dominican Republic immediately to ascertain the number of refugees they can support.

While the committee was in session Rabbi Stephen S. Wise, of New York, at a conference on Palestine told British Colonial Secretary Malcolm MacDonald the United States expected to

See Page Two, Column Two

permit unlimited immigration of Jews to the Holy Land.

He reminded British officials of the Anglo-American agreement of 1924 under which the United States indorsed the British policy of establishing a national Jewish home in Palestine.

MacDonald and Richard Austen Butler, parliamentary secretary of colonial affairs, later received the Arab

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Hitler said the destruction of the German fleet after the World War "even today grips painfully at our hearts," and shouted that National Socialism "tore the nation out of its rut and led it to new domestic and foreign successes."

OWES DEEP GRATITUDE

For these successes, he said, the nation owed deep gratitude to those creating the preconditions for the Third Reich.

He declared that Bismarck "not only created the German Reich of his day, but also the conditions on which the present great German State of people could be reared."

The christening of the warship was performed by Countess Dorothea von Loewenfeld, granddaughter of Bismarck. As she smashed the traditional bottle of champagne against the prow of the battleship she said:

"By order of the Fuehrer and chancellor I christen thee Bismarck."

"From the very day of our taking over power," Hitler said, "there began a recreation of German defense forces with the aid of which security of existence was to be vouchsafed our people.

"PEACE OF JUSTICE"

"As the sharpest instrument of war it is to take under its protection the peace of true justice."

The Fuehrer then declared that Naziism had evolved a "spiritual philosophy and organization for destroying from now on and for all future time the enemies of the reich," and continued:

"As Fuehrer of the German people I can give this step no better historical name than that of the man who as a true knight without fear or blame was the creator of the German Reich whose resurrectoin from direct need and whose wonderful accretion Providence now has permitted us to achieve.

"May the spirit of the iron chancellor descend upon the German sailors and officers who have the honor to man this ship."

Meanwhile the Spanish Government braced the Madrid-Valencia zone against a new assault Generalissimo Franco was expected to launch in central Spain attempting to clinch victory in the civil war which still disturbs Europe.

FRENCH CABINET SPLIT

French political quarters said Premier Daladier's cabinet was split on the question of giving recognition to Franco.

Foreign Minister Bonnet, at the urging of the London Foreign Office, was understood to favor quick recognition of the Insurgents in hope of winning them away from Italian and German influence, but other cabinet members urged a delay until Franco had given formal assurance that foreign troops would quit spain after the war.

In Tokyo the Japanese Government told the British ambassador that occupation of Hainan Island, off the south China coast, would continue until the end of the Chinese-Japanese war and possibly indefinitely on grounds of military necessity.

The statement was virtually the same as had been given France yesterday.

GROUP ACCEPTS FIVE-YEAR PLAN FOR REFUGEES

International Corporation May Seek $300,000,000 to Remove Jews From Reich

NAZIS MAKE CONCESSION

Remaining Minority Members Might Get Jobs as Race Buys Its Way Out

By the Associated Press.

LONDON, Feb. 14.—The intergovernmental committee on refugees provisionally accepted a German plan today for removing Jews from Germany and authorized establishment of a private international settlement corporation to help pay the $300,000,000 cost.

The committee notified Germany it "is using and will use its best endeavors to develop opportunities within the next five years for permanent settlement of involuntary emigrants from Germany within the limit of laws and practices of the member governments."

It was understood the German plan stipulated:

First—From 150,000 to 200,000 young Jewish wage earners would emigrate as soon as possible and would be expected to help their families emigrate later.

Some Might Be Allowed Jobs

Second—The remaining Jews would be permitted to return to their jobs in trade and industry, but only a scattering of Jews would be permitted in Aryan businesses.

Third—A "certain proportion" of what remained of Jewish property and capital would be put in trust from which emigrating Jews would be able to finance a small part of their expenses.

Fourth—Jews would be permitted to buy with percentages of their property German machinery and other goods needed for setting themselves up in new lands.

Fifth—Jews would be promised no further purge if they "behaved" while the scheme was operating.

Sixth—An office would be set up in Berlin to supervise "orderly" emigration.

Committee officials emphasized that the private international settlement corporation would have nothing to do with any government or with the central financing organization which Germany proposed to set up in Berlin. Who would head the corporation was not known.

It was believed the corporation would float a large international loan.

NAZIS STIFFEN LABOR DECREE

Goering Rules Any One May Be Drafted Without Allowance for Pay Lost

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Feb. 15.—A new decree by Field Marshal Herman Wilhelm Goering today made it possible to draft any needed manpower for gigantic national construction work such as widening the Kiel canal and at the same time ended the government's costly experiment of paying men drafted for unskilled ditch-digging the same wages they previously drew for their jobs as artisans or brain-workers.

Goering's decree, published on the same day that plans for widening of the famous Kiel canal connecting the Baltic with the North sea were announced, began with the significant words:

"The execution of unpostponable tasks having special significance for the policies of the state must not be endangered through lack of labor power."

The decree superseded a milder one effective last July 1, under which all Germans became liable for temporary service to the state. Then work on Germany's western fortifications was being rushed.

Under the earlier decree it was assumed that a temporary worker would be returned to his former tasks. The new decree enables the government to draft men and women for indefinite periods.

The earlier decree specified that pay for drafted labor could not be below that received by workers in their regular jobs. Under the new measure the pay is to be regulated by the wage scales of jobs to which persons are assigned. If the discrepancy is too great, exceptions may be made to insure a decent standard of living for the person drafted.

HOUSE VOTES $376,000,000 FOR PLANES, OTHER ARMS; GUAM AIR BASE APPROVED

Britain to Spend 6 Billions For Defense in Three Years

Government Announces New and Increased Total as Fear of Anti-Comintern Powers Rises— Recognition of Franco Believed Decided

By the Associated Press.

LONDON, Feb. 15.—Great Britain today published impressive new figures on the cost and speed of her rearmament that might serve as warning to any aggression-minded powers in a war-troubled world.

A government white paper put the total expenditure for the first three years of Britain's huge five-year armament program at £1,173,000,000 ($5,865,000,000) and disclosed extensive plans for new naval construction.

At the same time Prime Minister Neville Chamberlain told the house of commons that British recognition of the Spanish insurgents was "still under consideration."

It was reported, however, that the cabinet actually had agreed in principle upon recognition of Gen. Franco though withholding the public announcement until an appropriate moment.

The white paper said the original estimate of £1,500,000,000 ($7,500,000,000) as total cost of the program, which started in 1937, would be substantially exceeded, but did not indicate what the eventual cost would be.

The white paper attributed the drastic rise in arms outlays mainly to "the increase in our defensive strength to meet the risk of air attack"—an apparent reference to Germany's vaunted air force.

To meet the financial strain, Sir John Simon, chancellor of the exchequer, announced the government would seek to double its borrowing power to a total of £800,000,000 ($4,000,000,000).

Indication of the magnitude of Britain's naval building was contained in the statement that on Jan. 1, 1939, naval vessels under construction totaled 544,000 tons compared with 139,300 four years earlier.

During 1939 sixty warships are scheduled for addition to the British navy increasing its tonnage by 120,000.

The government disclosures gained importance from the following developments abroad, which contributed to uncertainty over the aims of the anti-comintern powers:

First—A new German labor conscript decree to enable rush work on urgent national construction jobs such as the widening of the Kiel canal, Germany's shortcut to the North sea from the Baltic.

Second—Disclosure that Italy was reinforcing her garrisons in Libya bordering French North African territory.

Third—The Japanese occupation of Hainan island, off the South China coast and athwart British-French communications between Hongkong and Indo-China.

Fourth—An appeal from the Carpatho-Ukraine national council in Czecho-Slovakia for financial help abroad toward creation of an all-Ukrainian national empire—a project which some believe Chancellor Hitler envisages to gain control of Ukrainian areas in soviet Russia, Rumania and Poland.

DEBATE IS TURBULENT

Dramatic Defense, Attack Precede Ballot of 367 to 15 on Measure

REPUBLICANS SUPPORT IT

Committee Will Make Public Today Part of Testimony on Sales to the French

By the Associated Press.

WASHINGTON, Feb. 15. — The house approved a huge, $376,000,000 segment of the administration's rearmament program today, after a turbulent debate which produced dramatic warnings that present world conditions hold grave dangers for America and charges that the United States is treading the road to war.

By the one-sided vote of 367 to 15, it passed a bill which would add 3,050 warplanes to the army air corps, strengthen the defenses of the Panama canal, increase the enlisted strength of the army air corps by 24,000 men, add 2,060 officers to the army and enable it to buy $23,750,000 worth of war material from American industry to educate it in the production of such supplies. The measure now goes to the senate.

A little earlier, the house naval committee approved a bill authorizing an expenditure of $68,000,000 for new naval air bases, including a faraway Pacific outpost on the island of Guam. A move to strike the Guam base from the measure was beaten, 14 to 5.

Elsewhere in the capital, the subject of defense bobbed up:

The navy received a low bid of $11,695,000 for each of two new 6,000-ton light cruisers, submitted by the Bethlehem Shipbuilding corporation of Quincy, Mass., as compared with tender of $12,950,000 by the Federal Shipbuilding and Drydock company, of Kearny, N. J., the only other bidder.

Tries to Kill Mussolini

Bodyguard Of Il Duce Wounded

Assassin Waits Outside Residence; U. S. Protests Jap Seizure of Island.

By REYNOLDS PACKARD

ROME.—(U. P.)—A man just released from an insane asylum shot one of Premier Benito Mussolini's private detectives Wednesday while apparently waiting to assassinate the Premier, an authoritative source revealed today.

The shooting, which was said to have occurred outside Il Duce's residence, the Villa Torlonia, was described by my informant as follows:

Mussolini was due to start for his office in the Venice palace, his automobile was waiting for him.

The detective noticed a stranger loitering across the street from the main gate.

He crossed to the stranger and asked him what he was doing there. In reply, the man fired a shot from a revolver in his pocket.

The bullet struck the detective in the abdomen and he crumpled to the ground.

Mussolini heard the shooting and emerged from the villa just as members of his staff were pouncing on the man and giving first aid to the wounded detective.

The names of the assailant and of the wounded detective were not revealed. The assailant, it was stated, was released from an insane asylum only last week and papers in his pocket showed he had once been certified insane.

Incidents bearing on the private life of Il Duce are so closely guarded by the Fascist State that it is probable the story of the shooting at the Villa Torlonia will bring official denials, at least at first. Early reports of the incident reached the United Press bureau in the afternoon of the day of the shooting, but were not sent out of the country until they could be rechecked through yesterday and today with trustworthy unofficial news sources.

It was the first known attempt on Mussolini's life in recent years, although many attempts have been made previously.

His most narrow escape was April 7, 1926, when a revolver shot fired by the Hon. Violet Albina Gibson, an Irish woman and sister of Lord Ashbourn, struck him in the nose. The bullet pierced both nostrils. His lips were burned by powder.

That shooting occurred as Mussolini emerged from Capitoline Hall. As he raised his hand in the Fascist salute Miss Gibson fired, but the salute caused him to straighten his body and the bullet only grazed his face.

SAVED FROM MOB

Police saved Miss Gibson from the mob and she was later committed to an asylum. She said she could not explain why she made the attempt on Il Duce's life.

From 1922 until 1926 four attempts were made on Mussolini. The most serious of these was a plot in which not a shot was fired. Tito Zaniboni, a former army colonel and former Socialist member of the Chamber of Deputies, had a rifle trained on Il Duce as he stepped out on the balcony of the Chigi Palace to make an Armistice Day speech in 1925.

Police were forewarned and seized Zaniboni before he could fire.

Zaniboni, Gen. Luigi Capello and Angello Upsello were tried and sentenced to thirty years in prison. Four others in the plot received prison terms.

Twice in September, 1924, shots were fired at automobiles along the road between Radiocofani and Aqua Pendente. Mussolini's car had passed by an hour before.

In September, 1926, Gino Lucetti, a young Italian anarchist, threw a bomb at Il Duce's limousine in Rome. The bomb fell on the roof of the car and rolled off without exploding.

Lucetti was sentenced to thirty years imprisonment and two others were given prison terms. Hundreds of persons were arrested after that bombing.

Oct. 31, 1926, Antoneo Zampini, 18, fired at Il Duce.

The shot cut the sash of the Order of St. Lazarus which Mussolini was wearing. It pierced his coat, but Il Duce escaped. A mob killed the boy on the scene.

In the early years of his premiership, Mussolini disdained elaborate means of protection, but the increasing number of attacks caused him to ask the Italian Chamber of Deputies for a death sentence against those attempting to assassinate him.

News of attempts and plots against him were kept secret and it was not until November, 1929, that another attempt was made public. Three rifle shots were fired at a caravan of automobiles en route to excavations near Rome. The second car was hit. Mussolini was in the third.

In September, 1930, Joseph Kucek, alleged Slav spy, was shot and killed near Trieste. Police said they found papers on his body linking him with eighteen other persons then on trial for an alleged plot to assassinate Mussolini.

Before the trial was completed, Francis Marusic, one of the defendants, confessed a plot to bomb Mussolini's automobile. He and three others were executed.

In February, 1931, Michele Schirru, a naturalized American citizen, was shot by a firing squad. Two bombs were found in his hotel room. He admitted he planned an attempt against Il Duce.

BOMBS FROM U. S.

In October of the same year three bombs were addressed to Mussolini and King Victor Emmanuel. They were sent from the United States and intercepted by postal authorities in Rome.

By 1932 Mussolini was convinced that his life was in constant danger. He permitted the recruiting of a special guard. That was shortly after the assassination of President Paul Doumer of France.

The new guard had been in service only a month when Domenico Bovone, a young Italian, was arrested near Mussolini's office. He carried a pistol and two bombs.

CHORUS GIRL SENTENCED

Bovone and Angelo Sbardellotto were sentenced to death. Bovone's sweetheart, Margherita Blaha, a Viennese chorus girl, and ten others were given long prison terms.

Oct. 25, 1932, police found a bomb with fuse burning in the railroad station at Milan, where Mussolini was due to speak at the celebration of the tenth anniversary of Fascism.

The last publicized attempt was in March, 1933. A bomb was exploded in St. Peter's Cathedral. Leonardo Bucciglioni and Renato Ciana were sentenced to thirty years for plotting against Mussolini's life in that attempt.

U.S. NOT TO RECOGNIZE INSURGENT REGIME NOW

WASHINGTON, Feb. 17 (AP). — The United States will not recognize Gen. Franco's government for the time being and sees no necessity for a precipitous decision on the question.

This official attitude was disclosed today by Sumner Welles, undersecretary of state, who also said at a press conference that there was no possibility of joint Pan-American action on recognition.

Welles revealed that the state department had received inquiries from the governments of Argentina, Brazil, Uruguay and Colombia and that some of them had suggested that recognition of Franco might be considered as a Pan-American question. Peru, he said, before putting out a formal announcement, notified the state department it had decided to recognize Franco's regime.

U. S. Asks Japs Why Island Seized

By the Associated Press

The United States joined Britain and France today in demanding an explanation from Japan for her occupation of Hainan Island.

Spain's momentous question—peace or more war?—still was unanswered.

Joseph C. Grew, United States ambassador to Japan, made the request to Japanese Foreign Minister Hainan Straits, fifteen miles wide to have received the same reply the British and French envoys received several days ago:

Belgian police arrested eight Spanish Insurgent sympathizers who had invaded the Spanish Government consulate in Brussels in a daring early morning coup and had forced a secretary to sign it over to Spanish Insurgent ownership.

Officials had to scale fire ladders to get into the building after the Insurgent sympathizers defied efforts of police, accompanied by magistrates, to oust them.

The British admiralty was disclosed to have tightened its safeguards on secrets of the greatest peacetime warship program in history after publication in Germany of details of Britain's new battleship, the George V.

Diplomatic quarters in Paris said success or failure of British-aided negotiations for peace in Spain depended on whether Generalissimo Franco, who has demanded unconditional surrender, would assure clemency to those who have supported the Spanish Government.

Insurgent assurances to Britain, these sources said, apparently have satisfied the Madrid Government's demands for ultimate dismissal of foreign soldiers and for a regime

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Insurgent assurances to Britain, these sources said, apparently have satisfied the Madrid Government's demands for ultimate dismissal of foreign soldiers and for a regime free of foreign influence.

Under a rain of shells from Insurgent guns bombarding Madrid for the sixth successive day, the Government began avacuating children from the capital. Insurgent forces were reported shifting from conquered Catalonia to the Madrid and Valencia fronts in the one-fourth of Spain still Government-held.

EXPLAIN SEIZURE, U.S. URGES JAPAN

Joins France and Britain in Seeking to Learn Aims of Action on Hainan

TOKYO, Feb. 17 (AP).—The United States again joined France and Britain in parallel action in the Far East today when Ambassador Joseph C. Grew asked for an explanation of Japan's occupation of Hainan island off the South China coast.

A foreign office spokesman said Foreign Minister Hachiro Arita replied to Grew in the same manner as he had to similar questions within a few days from the French and British ambassadors, Charles Arsene Henry and Sir Robert Leslie Craigie.

His reply was that occupation of the island, 750 miles west of the Philippines, was "intended to strengthen the Japanese blockade of the South China coast and is not going beyond requirements of military necessity."

(In Washington a state department official said that Grew acted on state department instructions and that his inquiry was to be of a political nature, concerned only with Japan's designs in the Orient as connected with Hainan, not with the status of American cars on the island.)

MADRID OFFERS FULL SURRE
IL DUCE CALLS 150,000 RESER
F.D.R. HINTS 'CRISIS' MAY BE

CALLS ON LONDON, PARIS

Ready to Give Up on Sole Condition That There Be No Reprisals

AZANA, DEL VAYO CLASH

President Says He Will Work Against Negrin if Need Be in Order to End War

By the Associated Press.

PARIS, Feb. 18.—Spanish government officials said tonight that the Madrid government had authorized France and Great Britain to negotiate its surrender to the nationalists on the sole condition that there would be no reprisals against former government fighters and sympathizers.

These officials, closely identified with Spanish government President Manuel Azana, said French and British representatives at Burgos had been instructed to present to Generalissimo Franco's government the offer for peace in the two-and-one-half-year old civil war.

The French government, acting through a special envoy at Burgos, sought quick settlement of the war and repatriation of about 380,000 civilians and soldiers now refugees in France.

Sir Robert M. Hodgson, British agent in nationalist Spain, arrived at St. Jean de Luz tonight from Burgos, the nationalist capital, following a reported conference with nationalist officials on the government's proposition.

Sir Robert talked at length with the nationalist foreign minister, Count Francisco Gomez Jorda, at Burgos before leaving for the French border town to confer with representatives of his government.

Franco's Answer Not Known

Whether he bore Franco's answ[illegible] was not known, but it was understood he conferred immediately with the British foreign office in London by telephone.

Officials of the French foreign office said France and Britain had informed the nationalists that their diplomatic recognition of Franco's government would now be contingent on granting assurances to the Spanish republican government against reprisals.

The negotiations followed an unsuccessful attempt after the fall of Barcelona to arrange peace in the Spanish conflict.

The difference now seemed to be that France and Britain were backing the Madrid government's sole condition for surrender on their own account.

Spanish government officials here declared Azana was ready to return to Spain if an accord were possible and his presence was necessary to carry it out.

The peace offer was made through Azana by Foreign Minister Julio Alvarez del Vayo, who returned to Madrid today.

It was believed Alvarez del Vayo's long conversation here with French Foreign Minister Georges Bonnet convinced Spanish government officials, who now hold only one-fourth of Spain, that no help would be forthcoming for further fighting from either France or Britain.

Reprisals Single Issue

The granting of the government's wishes for assurances from Franco of no reprisals appeared to be the answer to the whole question of whether peace was imminent in Spain.

Previous government conditions that Franco dismiss foreign soldiers from the country and set up a regime free of foreign influence appeared to have been satisfied through nationalist assurances to Britain.

Alvarez del Vayo previously had attempted to convince Azana that he should return to the fighting zone since he was chief of the Spanish state.

Azana consistently had refused, declaring he would do nothing to continue the bloodshed.

The president's aides described the last meeting between him and Alvarez del Vayo as "terribly bitter." The foreign minister was said to have accused Azana of making further resistance impossible because his absence from Madrid ended the legality of the government.

Azana was said to have threatened to publish a manifesto calling upon Spanish government sympathizers to lay down their arms and refuse to follow Premier Juan Negrin and Alvarez del Vayo any longer.

D OFFERS FULL SURRENDER; CE CALLS 150,000 RESERVISTS; HINTS 'CRISIS' MAY BE NEAR

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PARTIAL MOBILIZATION

Italy to Summon 300,000 by Spring—Garrison in Libya Strengthened

PRESS CLAMOR RENEWED

Bulletin Says Troops Ready to 'Go Anywhere'—Total Manpower, 10 Millions

By the Associated Press.

LONDON, Feb. 18.—Reliable foreign circles said tonight that Italy quietly had called up 150,000 reservists while her anti-French press campaign gathered momentum.

This partial peacetime mobilization, it was said, would continue with a total of 300,000 reservists scheduled to be called up "by the spring."

It was pointed out that Italy officially announced Jan. 25 that 60,000 were being called up.

(The reported calling up of reservists lacked confirmation in Rome.)

Authoritative British sources said the foreign office was well aware that there was considerable military movement in Italy and was trying to ascertain just how far such movement was "abnormal."

The Earl of Perth, British ambassador to Rome, was understood to have inquired twice this week about Italian reinforcement of her Libyan garrison.

Designated as "First Quota"

The Jan. 20 announcement designated the 60,000 reinforcements, who were from the class of 1901, as a "first quota," indicating that more would be called later.

The first of that group, men now 38 years old, were summoned to duty Feb. 1. The official order then said they were called up for "training and instruction."

Italy has a standing army of about 294,000, exclusive of territorials, and an estimated 6,750,000 reservists. Premier Mussolini's newspaper Il Popolo d'Italia yesterday said Italy's total manpower available for army service was 10,000,000.

At the same time Informazione Diplomatica, official bulletin of the Italian foreign office, carried a warning that Italian troops in Spain would go to the Mediterranean island of Minorca or anywhere else "the common interests of Italy and Spain demand it."

In addition to the friction arising from the presence of Italian fighters in Spain, there has been mounting tension between Italy and France over fascist clamor for territorial and other concessions from France.

FRENCH MATCH ITALY'S MOVES

Strengthen African Defenses, Put Forces on Alert as Fascists Mass Troops

PARIS, Feb. 18 (AP).—France strengthened her empire defenses in Africa and put them on the alert tonight after reports of Italian troop concentrations near the borders of two fascist-coveted French territories.

In Tunisia, French protectorate, troops were held in barracks and airplanes were made ready for immediate flight in case of trouble.

Submarine patrols surveyed the Tunisian coast and important troop reinforcements had been sent to the central stretches of Tunisia's frontier with Italian Libya.

Heavy Artillery Shipped

Heavy artillery reinforcements were shipped aboard the liner Chenonceaux from Marseille to Djibouti, French colonial seaport on the Gulf of Aden and one object of the clamor for concessions aroused by the Italian press and public.

French authorities began recruiting natives in Djibouti to match Italian forces along the border of French Somaliland.

Italian forces along the frontier were reported to number 15,000. Italian Ethiopia and Eritrea border French Somaliland.

Meanwhile, as a preparedness test on France's frontier with Germany, Moselle department was ordered in a "state of alert" for thirty-six hours, beginning next Wednesday.

French troops established garrisons in a strategic twelve and a half-mile strip of coastal territory between French Somaliland and Italian Eritrea, retaking an area once ceded to Italy.

France also was reported to have sent reinforcements from Tunis to the border between Italian Libya and French Tunisia.

Italians Refuse Comment

(In Rome, Italian authorities refused to comment either on French reoccupation of the strip between Somaliland and Eritrea or on the French reports of Italian troop concentrations along the frontiers of Tunisia and Somaliland.)

Fascist tumult for fulfillment of Italy's "natural aspirations" has centered since last Nov. 30 in clamor for Tunisian and Djibouti, capital of French Somaliland.

Recent dispatches from Djibouti, Gulf of Aden port and coastal terminus of the railroad from Addis Ababa, Italian Ethiopia, have said French military authorities there have reports of Italian troop concentrations northwest and south of the territory.

Forty-Four Warships in Port

French reinforcements for the fortified line facing Libya have been moving from Tunis since Thursday. Forty-four warships of the French Mediterranean fleet have been in the Tunisian port of Bizerte since yesterday.

The area France formally occupied north of Djibouti covers only about 308 square miles, but is of great value for control of the Babel-Mandeb straits, through which warships have to pass to reach the Gulf of Arden from the Suez canal and Red sea.

France contended that Premier Mussolini himself gave the French government justification for resuming possession of the territory. Officials said Italy had forfeited her right to it by the denunciation last Dec. 22 of the 1935 French-Italian treaty by which it was ceded to Italy.

Rome Hears Franco, Duce, Hitler May Meet, Form Common Front

By the Associated Press.

ROME, Feb. 19.—Reports circulated here today of the possibility of a German - Italian - Spanish conference to form a common front toward the democracies.

The newspaper Il Messagero published a dispatch from Paris saying reports from Berlin, among other sources, declared such a meeting was imminent.

The conferees, it was said, would be Premier Mussolini, Reichsfuehrer Hitler and Spanish Nationalist Generalissimo Francisco Franco. Their purpose was described as "fixing a joint policy regarding present international problems."

Franco, Il Messagero said, was supposed to have asked for a conference, which, it expected, might be held in some Italian city.

(In Berlin, however, official quarters said the conference report was "completely unfounded.")

(In Burgos, Spain, nationalist officials said they were unadvised of any move by Generalissimo Franco toward a conference with Mussolini and Hitler.)

President Roosevelt's disclosure yesterday that he might return to Washington before the scheduled March 4 date because of concern over the international situation was reported without comment in the fascist press.

Nothing was available here on any military preparations.

However, Marshal Pietro Badoglio, chief of the Italian general staff, was reported en route to Libya, next door neighbor to French-ruled Tunisia in North Africa.

The purpose of the trip was undisclosed, but foreign circles attached particular significance to it in view of the recent Italian troop reinforcements in Libya. The marshal, who commanded the Italian conquest of Ethiopia, is considered Italy's outstanding authority on colonial warfare.

Officials, asked about reports abroad of Italian troop movements and calls of reserves to the colors, answered only that such information was a military secret.

(Informed quarters in London reported Saturday night that Italy quietly had called up 150,000 reservists in a partial peacetime mobilization that would continue with a total of 300,000 scheduled to be called "by the spring."

(Rumors have persisted in Paris in recent weeks of Italian troop concentrations near the frontiers of French Somaliland, in East Africa, and French Tunisia, on the North African shore of the Mediterranean.)

France has demanded a promise of clemency toward the government forces as conditions for her recognition of Franco.

NEW CRISIS EXPECTED

In London, however, Spanish peace was expected within a week, and diplomats expected then to see Europe's most dangerous situation develop — Italian territorial demands on France.

Over the week-end Marshal Pietro Badoglio, chief of the Italian general staff, arrived in Libya, where troops already had been dispatched close to the borders of French Tunisia. France took defensive measures on the borders of Tunisia and French Somaliland and arranged to put her Maginot line—facing Germany—on a thirty-six-hour "state of alert" Wednesday.

Franco was said by informed border sources to plan naming a new government of eight cabinet ministers under the nominal direction of his brother-in-law, Serrano Sunner, as premier.

The generalissimo, these sources said, will retain his title as chief of State and supreme commander of the army.

Franco has filled most of the posts on paper, these reports declared, but the actual change may not take place before the central zone of Spain is occupied.

In Moscow, Soviet Russia yesterday signed a most-favored-nation trade agreement with Poland, continuing the trade drive in which she has concluded or renewed agreements in recent weeks with France, Latvia and Lithuania.

Members of the Balkan entente —Turkey, Greece, Yugoslavia and Rumania—met in Bucharest. High on their agenda were efforts to get Bulgaria to join, consideration of recognition of Nationalist Spain and discussion of Germany's political-economic drive into Southeastern Europe.

REVOLT IN PERU

Numerous civilian, military and police suspects were reported detained at the Panoptico Penitentiary in Peru as the government investigated a brief abortive revolt attempted early yesterday by Gen. Antonio Rodriguez, minister of interior and chief of the Fascist-like "Union Revolucionara" party.

One of those held was Gen. Ciriloh Ortega, suspected of being Rodiguez's coleader.

The cabinet ended a three-and-a-half-hour meeting early this morning, and was expected to issue a long communique on the revolt today.

Lima was normal, and too busy with celebrating its annual carnival, which started yesterday, to bother too much about politics. The only sign left of the revolt was the heavy guard at the government palace, and the body of Gen. Rodriguez which reposed in one of its rooms.

Rearmament Plan in Britain Largest Yet

French-Italian Tension Nearing Head; Negotiations In Spain Snagged.

DAMASCUS. — (U. P.)—A secret Syrian Arab radio station broadcast orders today to Rebel leaders designated by numbers to begin distribution of arms and ammunition in Aleppo, Damascus and Lattakia in preparation for a simultaneous uprising.

French police believe the station to be situated in Tripoli, on the coast. Asking the Syrians to emulate the Arab revolt in Palestine, the station promised them victory against the French.

(Compiled from Associated Press and United Press Cable Dispatches.)

With uncertainty still suspending Spain between war and peace, and fear growing that French-Italian tension soon may come to a head, the British Government today asked Parliament to approve what probably is the coldest peacetime rearmament program in history.

A two-day debate in the House of Commons on defense—over a resolution to increase the government's borrowing power for defense from $2,000,000,000 to $4,000,000,000—promised important revelations on Britain's foreign policy, armed strength and the pace of her rearming.

Negotiations with Generalissimo Francisco Franco for peace in Spain have been suspended. They struck a snag at the Nationalists' Burgos headquarters last night when Franco's spokesmen ruled that only a victory at arms could end the civil war unless the government surrendered unconditionally.

GEN. FRANCO IS INSISTENT HIS TERMS MUST BE MET, POLITICAL FOES PUNISHED

Peruvian Minister Is Slain After He Seizes the Palace

Rodriguez Sees President Benavides Off on Vacation Trip, Then Tries to Take Over Government—Is Shot by Army Man

LIMA, Peru, Feb. 19 (AP).—Gen. Antonio Rodriguez, taking advantage of the absence of President Oscar Benavides, seized the government palace about 2 a.m. today in an attempted overthrow of the government and was killed.

Gen. Rodriguez, minister of government and interior since 1935, escorted the president to the pier at Callao, Lima's port, last night when Benavides and a party of government ministers boarded the naval transport Rimac for a three-day holiday.

He embraced the president, expressed wishes that he would have a happy holiday and bade him farewell.

After seizing the palace, Rodriguez proclaimed himself head of the government and issued two manifestoes, one addressed to the nation and the other to the armed forces, in which he explained his far-reaching measures to replace the Benavides administration.

Meanwhile, the city, unsuspecting what was going on at the palace, was spending the night in celebrating a carnival.

A communique issued by Premier Ernesto Montagne tonight said Rodriguez had only a few followers from his own department of the government and that loyal troops intervened and restored order. The communique said "some few insurgents" lost their lives.

Rodriguez sent his manifestoes to the newspapers, which were just finishing printing their morning editions. They hastily prepared extra editions, but before these were ready the situation was changed with intervention of the troops, which restored the situation to normal.

PRESIDENT BENAVIDES

RESENTS INTERVENTION

Rebels Feel They Need No Help in Winding Up Civil War

WON'T LISTEN TO PARIS

British Word Carries More Weight Than France's With Nationalists

BY LARRY ALLEN,
Associated Press Foreign Staff.

BURGOS, Spain, Feb. 19.—An informed nationalist source reiterated tonight that Generalissimo Francisco Franco was ready to accept capitulation of republican Spain only upon his own terms.

These terms, as announced previously, include "unconditional surrender," his guarantee that there would be no reprisals, and stipulations that republicans accused of high crimes must face trial in courts which may decree death for those convicted and that government sympathizers responsible for prolonging resistance may be exiled or stripped of citizenship.

This source, who is close to the foreign office, disclosed that Franco and his council of ministers in the last session where the entire foreign political situation was reviewed had decided to adhere without deviation to the generalissimo's terms.

Nationalist policy was reported to be particularly clear on the following point—that Franco does not need outside intervention to bring about the end of the war.

Wants Artillery, Aircraft

All he needs, it was said, was a declaration from the leaders remaining in government-held Spain that they were willing to surrender and immediately would turn over all artillery and aircraft as the initial guarantee of good faith.

An official at the foreign office asserted "too much importance should not be attached to the conversations" of Senator Leon Berard, French emissary to nationalist Spain, with Count Francisco Gomez Jordana, nationalist foreign minister, and other Burgos officials.

This statement was interpreted as meaning that the nationalists were determined to chart their own course of action while listening to any suggestions offered for ending the civil war.

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This statement was interpreted as meaning that the nationalists were determined to chart their own course of action while listening to any suggestions offered for ending the civil war.

It also was pointed out that what Sir Robert M. Hodgson, British commercial agent in nationalist Spain, may have to say probably would carry more influence with the nationalists than any representative of France.

(Sir Robert left Burgos Saturday for the French frontier, where he was reported to have had a long telephone conversation with the British foreign office.)

This belief was based particularly on the fact that nationalists have charged that arms were sent to republican Spain by way of the French frontier even four days after Barcelona fell, on Jan. 26, and that Britain at least had accorded some form of

TOKYO'S FLIERS RAID HONGKONG

British Indian Policeman Is Killed by Bomb—Others Injured in Attack

HONGKONG, Feb. 21 (Tuesday) (AP).—One British Indian policeman was killed and perhaps a dozen others were wounded when Japanese aerial bombs hit a railroad station just within the border of Hongkong this morning, British military officers said.

The military announcement stated that low-flying Japanese planes first dropped bombs in Chinese territory not far to the west of the colony border, then circled the area and dropped more bombs which damaged the Lowu station and demolished a railway car in which a score of British policemen were sheltered.

Lowu is eighteen miles from the heart of the British crown colony.

Britain Protests Jap Bombardment

(By the Associated Press.)

Japanees bombardment of a Hongkong railway station resulted in a quick protest from Britain today, adding new complications to the Far Eastern situation while warring Spain kept Europe uneasy.

One British Indian policeman was killed and a dozen other persons injured by a Japanese aerial attack on Lowu station, eighteen miles from the heart of British Hongkong.

Britain's ambassador in Tokyo was instructed to lodge a vigorous protest and at the same time press for a reply to earlier British inquiries concerning Japan's intentions toward other foreign powers in Japanese-conquered sections of China.

Declarations in the Japanese Diet were interpreted as indication the Japanese Army might march into Shanghai's International Settlement as the result of assassinations of Japanese sympathizers there.

EMINENT CHINESE SLAIN

An eminent Chinese, Li Kuo-Chieh, said to have had connections with the Japanese-sponsored Nanking reform government, was killed there today. Tcheng Loh, foreign minister of the Nanking regime, was slain in another part of Shanghai yesterday.

Chinese and Japanese, meanwhile, claimed victory in a huge aerial battle over Lanchow, important Chinese military base in northwest China. A Japanese communique said thirty-six Russian-made planes were shot down in the engagement, but Chinese said only three Chinese pilots were injured while eight Japanese aircraft were downed.

France gave her semiofficial envoy to Nationalist Spain, Senator Leon Berard, fresh instructions for trying to reach a basis for formal recognition of Generalissimo Franco's regime.

NEW REBEL OFFENSIVE

Though France held little hope current negotiations would bring peace to Spain, French efforts were bent toward swinging Franco away from the Rome-Berlin axis. Military dispatches reported increasing activity on the central Spanish front, where a new Nationalist offensive was expected against the one-fourth of Spain still in Government hands.

Britain added a new slogan—"Peace Through Trade" — to her appeasement policy as debate on the empire's defenses neared an end in Parliament.

FRANCO SEEKS DICTATOR TIES

aid Planning New Regime —'Eternal Gratitude' to Totalitarians Voiced

PARIS, Feb. 20 (AP).—A reported plan Generalissimo Francisco Franco for new nationalist government for all pain, with himself as dictatorial hief of state, was widely interpreted onight by diplomats as foreshadowng close permanent relations with ermany and Italy.

Meanwhile, British-French peace egotiations at Burgos, snagged on ationalist insistence that the republican government surrender unconditionally, approached a showdown in a nference scheduled for Wednesday.

Reports Franco had chosen his fast brother-in-law, Serrano Suner, as rospective premier came as Paris ewspapers widely reproduced a messge of "eternal gratitude" from the eneralissimo's foreign minister for he friendship of Germany, Italy, Portgal and Japan.

Message Sent to Nazi Journal

The message was sent to a German eriodical, Wille und Macht, by Genral Count Francisco Gomez Jordana, ationalist foreign minister. The messge added to mild excitement occaoned by the reported choice of uner.

Suner, at present Franco's minister of interior, is one of the outstanding leaders of the Spanish fascist falange and reputedly favors close ties with Italy and Germany.

In expressing gratitude to Germany, Italy, Portugal and Japan, Gomez Jordana called them "national Spain's only true friends in her late hours of need."

Whether Franco had proposed the new government—eight ministers under Suner's nominal direction—as a permanent regime was a question. Franco was said to have filled most of the posts on paper, according to reports reaching Rome, but installation might not take place until he could make all Spain his.

France and Britain were reported to have counted long on restoration of the Spanish monarchy as a means of increasing their influence on the new Spain.

With emissaries to Burgos, they were virtually committed to early recognition of the Franco regime as the legal government of Spain, but were seeking to turn Franco from his demand for unconditional surrender.

BRITISH DOUBLE FUND FOR ARMS

$4,000,000,000 Adopted as Chamberlain Warns Race May 'Break' All Europe

LONDON, Feb. 21 (AP).—The house of commons tonight approved Britain's gigantic share in the international arms race a few hours after Prime Minister Chamberlain had admitted it might "lead to the bankruptcy of every country in Europe."

At the same time W. S. Morrison, chancellor of the duchy of Lancaster, speaking for Baron Chatfield, minister for co-ordination of defense, disclosed that the British and French general staffs were working on a joint inclusive plan to make effective use of all the two nation's resources—men, munitions and war potentials—in the event the two are involved in war.

Chamberlain's government won approval of its plan to double its power to borrow for defense purposes, increasing the limit from £400,000,000 ($2,000,000,000) to £800,000,000 ($4,000,000,000) without division after the house had rejected by a vote of 310 to 127 a labor amendment to reduce the maximum. The amendment was merely a technical procedure which initiated a two-day full debate on defense.

"Limited Liability" Impossible

In discussing the Anglo-French military staff talks Morrison said "the government fully agrees with Mr. Churchill that, once involved in war, we could not proceed upon a principle of limited liability."

Members of parliament took that to mean that a British expeditionary force would be dispatched to France's aid if she were attacked, as was done in the World war.

Earlier in the debate Winston Churchill, veteran statesman, had demanded that the government give France that assurance. There has been speculation that Britain might plan to confine her aid to naval and air forces.

A. V. Alexander, who summed up the debate for the labor opposition, declared that the September Munich agreement was responsible for the tremendous loan the government plans, adding it meant putting the country into bondage for three generations.

To this Morrison retorted that "had there been no Munich it would not have been a question of three generations, it might have meant destruction of one generation and bondage of a number of generations."

Britain to Go the Limit

Earlier Chamberlain had said the world arms race would bankrupt every European nation unless halted soon. In seeking approval of the increased borrowing powers he warned that even the £800,000,000 might not be enough, but he declared that Britain's drive to match any one in defense would go on regardless of cost.

While the house met, Sir Robert Leslie Craigie, British ambassador to Japan, received instructions to protest "vigorously" in Tokyo against the bombing by Japanese warplanes of a railroad station within the boundaries of Hongkong, a British crown colony.

Americans Would Help Democracies

Poll Shows Strong Sentiment That Fascist Victory Would Damage Us.

By DR. GEORGE GALLUP

Director, American Institute of Public Opinion

NEW YORK,—A majority of American voters believe that if there were a war in Europe tomorrow between Great Britain and France on one side and Germany and Italy on the other, the United States should do everything possible to help England and France win, except go to war herself.

This fact, revealed in the final results of a survey on foreign policy by the American Institute, may indicate an important trend of public opinion away from that traditional policy of isolation. American sympathy for the European democracies and dislike of the dictators has now apparently reached the point where the voters would want to find some way of sending aid to their biggest World War allies, short of actual military support, in time of war.

AMERICAN INSTITUTE OF PUBLIC OPINION

The Institute conducted its national survey of voters on the issue raised after President Roosevelt's conference with the Senate Military Affairs Committee two weeks ago:

"If Germany and Italy go to war against England and France, do you think we should do everything possible to help England and France win, except go to war ourselves?"

The vote is:

Yes	*69%*
No	*31*

Only 6 per cent said they had not yet formed an opinion on the issue.

Especially significant is the vote by parties. It shows that sentiment among the rank and file of Republicans is almost identical with sentiment among Democrats. If Republican leaders seek to make a party issue of the foreign policy question—and there are already indications that they may—the rank and file of Republican voters may not share their views at this time. The party vote in the survey is:

	Help England and France? Yes	No
Democrats	71%	29%
Republicans	69%	31%
Other Party Voters	65%	35%

Other Institute surveys have found that public sentiment is against America going to war. But the majority, as shown in the present study, would not favor the other extreme either — complete aloofness from Europe's quarrels —if the European democracies were faced with disaster.

THREAT TO U. S. SEEN

ONE reason for this sentiment is made clear by a second question in the Institute survey. Voters were asked: "If Germany and Italy defeated England and France in a war, do you think Germany and Italy would then start a war against the United

States?"

The vote is:

Yes 62%
No 38%

Approximately one voter in every six had formed no opinion on this question.

While many military experts doubt that the dictator powers could successfully invade the United States after they had fought an exhausting war in Europe, the results do indicate a feeling on the part of many voters that American interests would be much less secure if the Fascist powers triumphed abroad. Earlier Institute studies show that the public regards Hitler's military and economics ambitions as virtually limitless. Most voters feel that giving colonies to Germany will not appease the Nazi regime, and when the public was asked whether they believed Hitler's statement that he has no more territorial ambitions in Europe, 92 per cent replied "no."

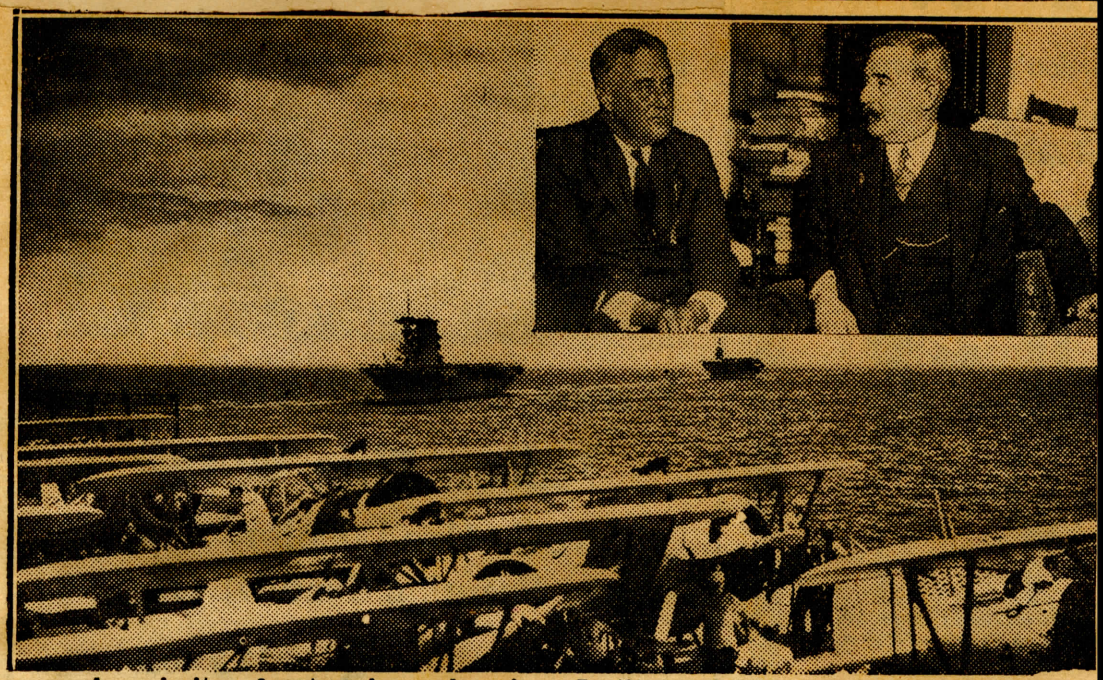
POOR LESS INCLINED TO GIVE AID

OPINION on giving aid to England and France shows practically no variation by age groups. Voters of all ages from 21 and up are approximately 7 to 3 in favor of it. There is some variation by income groups, however—the poorer voters being less inclined to give aid abroad than the middle and upper class voters. The actual vote is:

	Help England and France? Yes	No
Upper Income Group	73%	27%
Middle Income Group	70%	30%
Lower Income Group	66%	34%

The issue still to be settled is how far the public thinks the United States can go in aiding England and France without being drawn into a war herself. In the next few weeks the Institute will conduct a series of surveys to determine what specific action the voters would consider relatively safe.

(The results of these surveys will be published exclusively in Chattanooga by The News.)



A majority of voters in an American Institute of Public Opinion survey favor the principle that America should do everything possible to help England and France, except go to war. INSET: President Roosevelt conferring with Sir Ronald Lindsay, British Ambassador.

Diplomats Deny Clash In Tunisia

African Clash Strains Relations; Mussolini Pledges Aid to Franco.

(Compiled From Associated Press and United Press Cable Dispatches.)

Strained French-Italian relations assumed new gravity today as persistent reports from North Africa said eighty-four men had been killed in a clash between troops of the two powers, already at odds over Spain, one of Europe's most troubled issues.

At the same time, Premier Mussolini, in a telegram to Nationalist Generalissimo Franco, reiterated his determination to keep Italian troops in Spain until "final victory" is won.

Diplomatic and private quarters in Paris received reports from French Tunisia that fighting between French and Italian troops occurred last Friday. An Italian force from Libya was said to have been repulsed after penetrating French territory about twenty-five miles southeast of fortifications around Ben Gardane.

Reports of the clash were denied by the Paris Foreign Office. A spokesman said:

"We cannot confirm the report and in fact we will give you an official denial."

In Rome, Italian officials said reports of a French-Italian armed clash on the Tunisian frontier were untrue. They said there had been no clash of any kind and characterized reports of a conflict with heavy casualties as absurd.

Casualties were placed at eighty Italians and four Frenchmen killed.

REINFORCEMENTS SHIFTED

Italian military reinforcements were moved recently into Italy's North African colony adjoining French Tunisia, focal point of Fascist colonial demands on France.

Friday night French reinforcements suddenly were shifted to a fortified zone.

The French Mediterranean fleet had arrived at the Tunisian port of Bizerte the day before. A naval detachment was reported to have begun patrolling immediately along the Tunisian coast.

An informed source said that an extraordinary staff conference of all French North African commanders had been called for today at Algiers by Gen. August Nogues, French resident-general in Morocco, who is charged with coordination of North African defenses.

Gen. Amedee Blanc, French officer recently made minister of war in the Tunisian Government, flew to Algiers yesterday.

In recent weeks other border incidents had been reported, but none was confirmed officially.

ITALIAN PLANE SHOT

Three weeks ago an Italian airplane was reported to have flown over Tunisian territory and to have been shot down by French antiaircraft gunners.

There also have been round-ups of Italians in Tunisia, culminating in the arrest Sunday of an Italian consulate employe named Spada.

Reports circulated that a map of Tunisian defense lines was found in his possession, but police would not confirm this.

Among precautions reported to have been taken Friday and Saturday was an order for all military air detachments in Tunisia to be ready for action.

Troops throughout Tunisia were said to be held in barracks.

Reports circulating abroad that German troops had been moved through Italy to Libya were heard in Paris diplomatic circles, but could not be confirmed.

It generally was believed, however, that Italian reinforcements had been sent to the African possession, which already was garrisoned by some 60,000 troops.

France confirmed having some 35,000 troops in Tunisia and could quickly move in reinforcements from Algeria in case of emergency.

STRONG DEFENSES

Military experts said the Tunisian defense line and natural difficulties of the terrain are such that the French probably could hold off many times their numbers.

The reports did not say how far into Tunisian territory Italians had penetrated, but indicated they were met and thrown back shortly after crossing the border.

Mussolini made his reaffirmation of support to Generalissimo Franco in a telegram acknowledging greetings from the Spanish rebel leader on the occasion of a big military review in Barcelona, fallen Loyalist capital. Italian legionnaires marched past Franco in the parade.

"Ending the campaign in Catalonia and after the victorious army, including the valiant legionnaires, passed in review in Barcelona, the Spanish people acclaimed Italy and her Duce," Franco's message said.

"With the enthusiastic greetings of the Spanish armies to its comrades, I send you my own."

Mussolini replied:

"Thank you for having granted legionnaire troops the high honor of marching before you in Barcelona, reconqucred for Spain, free and great, which you are constructing.

"I return your greetings with great cordiality, confirming that the Italian legionnaires are at your orders until final victory."

The Catalonian campaign began December 23 and reached a climax with the occupation of Barcelona January 26.

Previously, Italian commentators, including the authoritative Editor Virginio Gayda, declared that Italian troops would remain in Spain until Franco won a political as well as military victory.

NEW IMMIGRATION PLAN

In London, Colonial Secretary MacDonald was reported to have recommended to the British cabinet a compromise plan for limiting Jewish immigration to Palestine.

British ministers also considered unconditional recognition of the Spanish Nationalist regime within a few days.

French political elements opposed to Premier Daladier charged him with a new "surrender" to the Fascist powers by planning to give unconditional recognition to the Spanish Nationalists.

Though Socialist and Communist members said they would raise the matter of recognition in the Chamber of Deputies, it was expected Daladier's government will be able to maintain its slim majority to back the sending of an ambassador to Burgos.

In Bucharest, members of the Balkan Entente — Rumania, Yugoslavia, Turkey and Greece—agreed to recognize the Spanish Nationalists as the legal government of Spain, but left each member free to decide for itself the time and manner of the recognition.

Gregor Gafencu, Rumanian foreign minister, in announcing the decision expressed hope that Spring would bring peace in Spain and emphasized his country's readiness to collaborate in Spain's reconstruction.

LEAVES CANCELED

In Shanghai leaves of a majority of United States marines were canceled by their officers as Japanese anger over activities of Chinese terrorists threatened a crisis involving the interests of foreign countries.

Japanese authorities were expected to present a series of demands — reported from Tokyo to approximate an ultimatum — to authorities of the foreign-controlled International Settlement late today.

It was reported that Japan would demand an increase in Japanese members of the Shanghai municipal police and possibly authorization for Japanese military units to patrol the International Settlement to combat terrorism.

Within eighteen months Chinese terrorists, operating with astonishing audacity in the heart of Japanese-occupied territory, had assassinated more than eighty Chinese "traitors" who were cooperating, openly or secretly, with the Japanese conquerors. While Chinese guerrillas harassed communications and attacked isolated garrisons in territory long nominally under Japanese domination, these men, some of them members of the Blue Shirt patriotic organization, had operated in densely populated Shanghai.

FRENCH CHIEFS IN AFRICA HOLD PARLEY ON WAR

Urgent Conference Follows Reports on Bloody Clash on Tunisian Frontier

TROOPS READY TO MARCH

Daladier to Get Report of Situation—Il Duce Sends New Forces to Area

By the Associated Press.

ALGIERS, Algeria, Feb. 22.—Chiefs of France's armed forces in Africa met in extraordinary conference here today following reinforcement of Italian troops in Libya.

Gen. August Nogues, co-ordinator of French African forces which number some 100,000 men, planned to fly to Paris immediately after the meeting to report directly to Premier Daladier.

The urgent meeting followed hard on the heels of persistent reports of a bloody clash between French and Italian troops in southeastern Tunisia. Although both the French resident-general, Erik Labonne, and the Italian consulate-general in Tunis denied that any clash had occurred, the military conference was considered highly significant.

(Reports received in Paris by diplomatic circles and through private channels from Tunis said eighty Italians and four Frenchmen were killed last Friday on the Tunisia-Libyan border when Italian troops penetrated French territory from Libya and were driven back.)

Other Incidents Reported

Other border incidents had been reported in recent weeks, but none was confirmed officially. One was that an Italian airplane had been shot down by French antiaircraft gunners when it flew over Tunisian territory.

Among the army and air corps leaders conferring with Nogues was Gen. Amedee Blanc, commander of French troops in Tunisia. Reinforcement of the 35,000 French troops in Tunisia with troops from Algeria and Morocco was said to be under consideration.

While the meeting was in session, the chamber of deputies army committee met in Paris.

Reinforcement of Italian troops in Libya to a total of some 60,000, coupled with the presence there of Marshal Pietro Badoglio, chief of the Italian general staff, brought strict precautionary measures by the French army in Tunisia.

Troops throughout the protectorate, which has been an object of fascist colonial agitation, were reported to have been confined to their barracks, ready to march at a moment's notice. Several contingents were said to have been sent to the fortified zone near the Libyan frontier.

Arrests of Italians charged with espionage continued in Tunis. An official of the Italian consulate-general, named Spada, was arrested and reports circulated that a map of Tunisia's defenses was found in his possession.

Unnamed Ship Sends S O S, 'Torpedoed by Submarine'

Fate of Vessel, Which May Have Been British Tanker, Is Still Unknown—Message Said She Was Sinking 360 Miles South of Azores

By the Associated Press.

CHATHAM, Mass., Feb. 22.—Government officials and shipping men of two continents tonight struggled feverishly to solve the mystery of an electrifying SOS from an unnamed vessel, which reported she had been torpedoed and was sinking 360 miles south of the Azores.

Radiomen pondered the possibility it might have been a British oil tanker.

"Have been torpedoed by unknown submarine. Hole below water line. Sinking. Urgent" — was the radio message picked up by the Radiomarine station here and by the Portuguese navy department at Lisbon, Portugal.

It was signed with the unlisted call letters "PECC."

While efforts to identify the sinking vessel were unavailing, radiomen pointed out that the letter "C" in international code was the same as "ten" and pondered the possibility that the "PECC" might stand for "Pecten."

London advices reported a British oil tanker Pecten left Trinidad Feb. 8 and was due in Southampton, England, next Monday. The Pecten was last reported in the vicinity of the position given in the SOS.

Efforts to reach the Pecten by wireless were unavailing, but radiomen pointed out that probably only one radio operator was aboard and he might have been asleep.

Shipping authorities at Horta, the Azores, said officers of a vessel that arrived there last Friday reported sighting two submarines of unidentified nationality south of Fayal island, in the general area from which the SOS emanated.

The British vessel Empress of Australia, arriving at the position given in the message, radioed she had sighted neither the vessel nor any wreckage. Later, she advised she was proceeding and turned over the search to the Greek steamer Mount Pelion, which reported she was near the "PECC" position and was making rapid headway under forced draft.

Meanwhile, Portuguese naval authorities said they had not dispatched rescue ships from the Azores because they believed other shipping was much nearer.

Because the SOS was not repeated, radio officials expressed the view that if the call was genuine the torpedoed vessel had plunged to the bottom.

The SOS gave a latitude and longitude that would have placed the vessel less than 1,000 miles from the coast of Africa, and almost due south of the Azores. This route would be followed by a vessel bound from the Mediterranean to the Panama canal, but would have placed the ship far to the west of the area where the sub-

See Page Two, Column Three

SHIP RADIOS S O S, 'HIT BY SUBMARINE'

From Page One

marines of Spanish Gen. Franco have been operating, and far to the east of the area where the United States fleet is engaged in war games.

So mysterious were the letters, "PECC," which are not now assigned to any vessel, that a wide range of conjecture was stirred among United States navy, coast guard and commercial communications and shipping officials. One speculation was that the call, if genuine, sought to hide the true colors and destination of the distressed vessel.

Capt. Thomas Shanley, commandant of the Boston coast guard district, immediately pointed out that unauthorized use of code letters would be "clearly contrary to the international agreement." Simultaneously a federal communications official raised the possibility the letters might have been garbled in the hurried sending of the SOS.

United States navy officials reported the letters "PECC" ordinarily would be assigned to a Dutch vessel, but that if the letters following the "P" were further advanced in the alphabet than "ECC" a vessel of Italian or Spanish registry might be involved.

As late as 1936 the letters were used as the code designation of the 10,000-ton Dutch steamer Flandria, but in that same year the vessel was sold to a French firm and now is known as the Bretagne, with the call letters, "FNSB." The vessel was listed most recently as tied up at St. Nazaire, France.

An amateur radio operator in Buffalo, N. Y., Melvin Botto, reported the letters were listed in an amateur call book magazine for another vessel by the name of Flandria, a 103-foot trawler of Netherland registry. This 159-ton boat was so small, however, that commercial communications officials expressed doubt that it carried any wireless equipment.

The radio marine station here first picked up the SOS in a message from the American freighter Tulsa, which sailed from Germany earlier this month for United States ports. Later the same message, a little more complete and giving a slightly different position, was relayed from a London station which said it had picked up the SOS direct.

During the afternoon, operators at Chatham overheard a Dutch land station talking to a Dutch ship, in which the letters "PECC" were mentioned, but because of the language the full message was not caught.

Loyalist President To Give Up Office.

PARIS.—(U. P.)—The French Chamber of Deputies gave the Government of Premier Edouard Daladier a vote of confidence today on a question equivalent to parliamentary approval of de jure recognition of Nationalist Spain.

Daladier announced that he planned to propose recognition of Generalissimo Francisco Franco to the French Cabinet Monday. A small opposition group demanded immediate debate on the question of recognition. The chamber rejected the demand.

LONDON.—(U. P.) — Great Britain will give legal recognition to Nationalist Spain on Monday, in accordance with an agreement with France to accord recognition simultaneously, informed sources said tonight.

Prime Minister Neville Chamberlain, it was said, probably will announce the government's decision in the House of Commons on Monday.

PARIS.—(U.P.)—Manuel Azana, the president of Loyalist Spain, and other leaders who refused to continue the civil war, were completing arrangements today to announce the end of the third Spanish republic.

Records were being packed and other documents were being burned at the Spanish embassy here, where Spain's chief refugee took asylum after the fall of Barcelona. Azana held a final conference today to decide on procedure for relinquishing the presidency.

The announcement awaits the official notification by Great Britain and France that they recognize the government of Generalissimo Francisco Franco. Azana then will hand his resignation to Diego Barrio Martinez, president of the Loyalist Parliament.

Barrio will summon members of Parliament who are in exile in Paris to a secret meeting. He will announce Azana's resignation and say there is no successor, because he, Barrio, next in line of succession, refuses to take over the office.

The presidency thus will be extinct. Azana will thereby carry out his threat to abandon Premier Juan Negrin and Foreign Minister Julio del Vayo, who went to central Spain to reorganize and continue resistance against the Nationalists.

Negrin and Del Vayo announced they would fight until they obtained terms from Franco guaranteeing the independence of Spain and the promise of a plebiscite. They also asked assurances there would be no reprisals.

Britain and France failed to obtain written guarantees from Franco covering these points. As a result, Anglo-French efforts are under way to induce the republicans to lay down their arms on the basis of verbal assurances.

Hungary Dissolvs Nationalist Party

Polish Students Riot in Protest Against German Actions in Danzig.

By THE UNITED PRESS

Nazis were targets in two nations of Europe today when Hungary by government decree ordered dissolution of the Hungarian National Socialist (Nazi) party and in Poland thousands of students rioted in the largest anti-German demonstration since Poland and Germany signed a nonaggression agreement five years ago.

In Hungary police closed all National Socialist headquarters and confiscated all the party's possessions.

In the early hours of this morning, police made surprise raids on party headquarters all over the country.

At the same time they began a series of raids on the homes of Nationalist Socialist leaders.

It was reported that by mid-morning 150 men had been arrested and it was said that they would be sent to concentration camps.

While police were still conducting raids Count Stephen Csaki, foreign minister, signed the German - Japanese - Italian "anti-Communist" agreement in the presence of the diplomatic envoys of the three countries. It had been announced several weeks ago that Hungary would subscribe to the agreement, and there had been considerable surprise at the delay.

The Government's action was calculated to cause a European sensation because of the country's key position in the new central-eastern European setup following the dismemberment of Czechoslovakia.

But of even more immediate political importance was the fact that, anticipating today's action, Coloman Hubay, Hungarian Nazi leader, directly defied the Government in Parliament last night.

Hubay said that if, as he believed, the Government was about to send all leading Nazis to concentration camps, his party could assume no responsibility for the country's future.

It was known that the Government's action, taken a few hours after this warning, was the result of an investigation into the bombing of a Jewish synagogue February 3. Fourteen persons were wounded when someone threw a hand grenade into the central synagogue as the rabbi pronounced the closing prayer. As the crowd, fleeing in panic, reached the street, another hand grenade was thrown.

Many persons connected this bombing with a Government announcement that it would back a parliamentary bill ameliorating anti-Jewish laws.

In Warsaw more than 2,000 students attempted to march on the German Embassy after mass meetings at four Warsaw universities and colleges. Speakers bitterly attacked Germany.

Police reserves were summoned when the meeting broke up and the students began to march through the streets. A cordon was thrown around the embassy. Firemen were summoned and the students were driven back with fire hose.

The demonstration started at the Warsaw University Technical Institute and the Agricultural-Commercial Academy. It was directed primarily at recent Nazi activities in the free city of Danzig, important port on the Baltic.

The demonstrators were indignant because the German student organization at the Danzig Institute of Technology hung out signs at the institute and a student gathering place which said:

"Entry is forbidden to dogs and Poles."

The Polish press gave the incident at Danzig great prominence.

At the conclusion of the mass meeting here today the students surged into the strees. At 2 p.m. masses of them jammed both ends of "Pius XI Street," where the German embassy is situated.

"Down with Germany—Danzig belongs to Poland," the mobs shouted.

Police struggled with the mobs for half an hour, but finally were forced to call for the fire hose to disperse the rioters.

Meanwhile in Germany itself drastic tax increases, hitting rich and poor alike, were decreed by the Government today, apparently part of the belt-tightening program of the five-year plan.

An official commentary accompanying the law said some of the increases were designed as social measures to iron out existing inequalities between rich and poor and others were matters of "simple necessity."

Under the new law, the average middle class German will pay approximately $40 a year more in income taxes. Higher income tax brackets would be hit much harder.

The changes included:

1. Reduction of the 50 marks ($20) a month deduction from taxable income for each maid-servant. The effect of this exemption had been a direct tax reduction of as much as 300 marks ($120) a year in the higher income brackets.

2. Reduction of deductions allowed from taxable income for payments made by way of the church tax.

3. Reduction of the deduction permitted from taxable income for "extra expenditure" costs in connection with the taxpayer's employment. It was expected that such expenses would now be rigidly restricted.

Three-fourths of the States, the number requisite to ratification, approved the Bill of Rights by 1792. Georgia's historic records, however, give no definite reason why one of the pioneer Southern States did not join the rest of the nation.

Smash Red Uprising In Spain

Police In Los Angeles Fight Sympathizers Of Loyalists.

MADRID.— (A. P.) —An isolated group of Communist rebels was still holding out desperately tonight against Gen. Jose Miaja's national defense regime, but the backbone of the two-day uprising had been broken by Miaja's stern measures.

The city was quiet and no gunfire had been heard since morning, when the Government routed most of the Communist groups with the aid of a few tanks and infantry rushed to strategic points.

Although the capitulation in this local war within Spain's civil war was not complete, the Government announced by radio early in the afternoon that republican army chiefs involved in the Communist rising had surrendered.

(By the Associated Press.)

Madrid's military government announced today that it had put down a Communist revolt within its ranks and was reported to be suing for peace with Generalissimo Francisco Franco to end the Spanish civil war which has spread discord throughout Europe.

The official Madrid radio asserted the Communist rebels, who revolted Monday night, had surrendered forty-five minutes before expiration of an ultimatum threatening concentrated aerial bombardment by

Asks Peace

GEN. SEGISMUNDO CASADO

Gen. Jose Miaja, head of the Madrid regime.

Planes, tanks and machine guns were used to put down the heart of the resistance yesterday as extremists rebelled against the government's efforts to end the war with "worthy peace" terms from the Nationalists.

War Minister Sigismundo Casado was reported to have entered Nationalist lines under a white flag to negotiate such a peace with Franco.

Civil warfare on the seas already was ended by the republican fleet, which put in at France's powerful naval base, Bizerte, Tunisia, and was interned yesterday.

Paris sources close to republican Spain's deposed premier, Juan Negrin, said he still considered himself chief of the Spanish government, since he did not submit a resignation before military leaders seized the reins in Madrid.

Four plane loads of government leaders followed Negrin into exile in France. A fifth plane was captured before it had time to leave.

In central Europe, the hopes of some Slovak political factions for complete independence from Czechoslovakia faded. Informed Prague sources said Germany had indicated a disinclination to assume the economic burdens which would entail in supporting creation of an independent Slovak State.

These sources said Slovaks found insufficient support in Berlin and therefore had determined to settle their problems within the framework of Czechoslovakia, of which they are an autonomous part.

Meanwhile, Japan's power in North China seemed headed for a test in a monetary battle between the Chinese government's dollar and the Japanese-sponsored federal reserve banknotes which Japan is using to obtain a monopoly on the North China trade.

Circulation of Chinese notes will be forbidden after next Friday and foreign business men said successful operation of Japan's plans will add millions of yen to the Japanese war chest.

MIAJA CRUSHES 'RED' UPRISING; LEADERS FLEE

Foes of Peace Regime Routed by Machine Guns in Attack for Mastery of Madrid

By the Associated Press.

MADRID, March 8.—Spanish republicans drove back their communist foes in the "war within a war" today after bitter street fighting in the heart of tragic besieged Madrid.

The republican defense council said the back of the revolt had been broken, but some fighting continued, apparently in sporadic outbursts in the city's outskirts.

Men who had been comrades in arms against Nationalist Generalissimo Franco for nearly three years fought for mastery in otherwise deserted streets as the communists tried to storm their way to control of the principal buildings.

Tanks, Field Guns Used

Gen. Jose Miaja, president of the council that overthrew Juan Negrin's cabinet in Sunday's coup, brought tanks, field guns and machine guns into use to defend his "peace" regime.

Gen. Miaja's associates said the "flight of every communist leader who could get away" before their comrades launched the uprising at dawn yesterday did much to quench the communist enthusiasm for fight.

"Except for two or three communist officers still at large with groups of men, the communist army and officers either surrendered or were captured," they declared.

The communists who started the uprising by leaving their front-line posts to take up sniping and other positions in various parts of the city were ordered to return to their abandoned posts.

Along with other troops in the front lines they were ordered not to fire on the nationalist troops of Gen. Franco unless attacked.

The communist leaders, however, were removed from the front and the national defense council investigated the integrity of other leaders in key posts at the front.

HUNGARY BANS NAZI FACTION; 500 ARRESTED

Signing of Anticomintern Pact, However, Announced as Hungarists Are Hit

By the Associated Press.

BUDAPEST, Feb. 24.—Hungary's new government today smashed the nation's largest party of nazi sympathizers and at the same time, with seeming contradiction, allied Hungary formally with nazi Germany in an anticommunist pact.

Premier Count Paul Teleky, who took office Feb. 16, banned the Hungarist party as a danger to public safety. In swift raids carrying out his order, police arrested more than 500 persons, ousted the party from its headquarters throughout the country and seized tons of documents and propaganda material.

While the raids were in progress, Foreign Minister Count Stephen Csaky signed the anticommunist agreement which pledged Hungary to aid Germany, Italy and Japan in fighting communism throughout the world. (Manchukuo, Japan's protectorate, also signed the pact Thursday.)

Police said they had evidence the Hungarists aimed at a change in the state by violence and that by persistent propaganda tried to bring the nation's head, Regent Admiral Nicholas Horthy, into disrepute.

Nazis Imprisoned With Jews

They announced that sixty "leading personalities" in the Hungarist party had been sent to a concentration camp at Kistarosa. There, ironically, the anti-Semitic, pro-German Hungarists will be in close contact with Jews recently confined on charges of smuggling and of violating visa regulations.

Although the Hungarists' program was known to be pro-German, authorities said they were unable to supply direct evidence that money to support the movement was sent from Berlin. They said an investigation would be made to determine the party's sources of funds from abroad.

While hundreds of police dashed through the streets carrying out the government ban, Budapest remained calm though tense under martial law, which has been in effect since Feb. 3, when the Dohany Street synagogue was bombed in an anti-Jewish outbreak.

Party headquarters in Budapest, known as "the green house" because green was the movement's color, was termed "a hotbed of seditious activity" by Interior Minister Franz Keresztes-Fischer.

1,200 POLISH STUDENTS PROTEST AGAINST NAZIS

WARSAW, Feb. 24 (AP).—Twelve hundred Polish university students demonstrated against Germany today, the eve of the five-day friendship visit of Foreign Minister Count Galeazzo Ciano, of Italy, Germany's axis partner.

At Poznan, 500 of them broke windows in a German library and in a building housing the Posener Tagzblatt, organ of the German minority in Poland.

In Warsaw, another group of 700 massed and, singing anti-German songs and shouting anti-German slogans, they swarmed into the streets in protest against treatment accorded Polish students in the Polytechnic school of nazi-controlled Danzig.

NAZIS TO EXPEL 100 JEWS A DAY; PACT IS BROKEN

New Drive to Begin Monday in Berlin — Those Named Must Leave in 2 Weeks

BY LOUIS P. LOCHNER,
Associated Press Foreign Staff.

BERLIN, Feb. 25.—A new, intensive drive to make Germany free of Jews will begin Monday.

The Jewish community in Berlin received orders from the police to produce daily the names of 100 Jews who then will be given two weeks' notice to leave the country.

As far as could be learned Berlin is the first district in which a daily quota of emigrants is fixed arbitrarily. Depending upon its success, it may be assumed that the system will be applied throughout the nation.

The police notice threw consternation into the ranks of the Jews.

Had Faith in Rublee Plan

They had believed that the efforts of George Rublee as director of the intergovernmental refugee committee to bring about systematic and orderly elimination over an extended period would be crowned with success.

After Rublee's departure from Berline, the belief was general in Jewish circles that Germany would give every Jew ample time to settle his affairs on the assurance of the refugee committee that a berth would be found for him somehow and somewhere abroad.

(Rublee, a native of Madison, Wis., and two American aides negotiated on the Jewish problem in Berlin from Jan. 10 to Feb. 2.

(Subsequently he presented a German plan to the refugee committee in London, which was understood to include Chancellor Hitler's promise of a conditional truce with the Jews.

(The committee provisionally accepted the proposal, under which it undertook to try to remove 150,000 young Jews from Germany in the first year of the scheme's operation, and authorized establishment of a private international corporation to finance a five-year emigration plan at a cost of $300,000,000.)

All Calculations Upset

The new order upsets all these calculations.

Jewish representatives insisted that at best it has been possible to obtain regular immigration visas or permits for England, Palestine and other places only at a rate of 3,000 monthly for all Germany.

Yet Berlin's Jewry alone, the Jews said, hereafter must send out 3,000 persons monthly aside from emigration from such centers as Vienna, Breslau, Frankfurt, Stuttgart, Dresden, Cologne and Hamburg.

Responsible Jewish quarters said they could produce 100 persons for

JAPAN BEGINS CAMPAIGN IMPERILING AMERICANS

SHANGHAI, Feb. 26 (AP).—Japanese launched their long-deferred campaign today against Lushan, on whose peak fifty-five foreigners, including twelve Americans, remained despite repeated warnings by the invaders to leave.

An artillery bombardment was laid down and infantry attacks were directed against Chinese positions on the mountainside, below Kuling, resort town where the foreigners were located.

Chinese reported two Japanese attacks were turned back, at picturesque Blue Cloud convent and at Changkaishan, southwest of Kuling.

ZIONISTS LASH 'MINORITY' PLAN

British Proposal to Set Up Arab-Dominated State Is Called 'Betrayal'

LONDON, Feb. 26 (AP).—Jews today termed a British plan to end her Palestine mandate and replace it with a predominantly Arab state as a betrayal of the Balfour declaration and a "complete capitulation" to the Arab leader, the exiled grand mufti of Jerusalem.

The plan, submitted in outline for discussion over the week-end, was rejected by the executive board of the Jewish agency, and the Jewish delegation to the deadlocked Arab-Jewish conference on the Holy Land agreed to boycott a British official dinner arranged for tomorrow by Colonial Secretary Malcolm MacDonald.

Although Arabs regarded the proposal jubilantly, Jews declared it was a death blow to the Jewish national home, promised in the 1917 declaration of Lord Balfour, then British foreign secretary.

Permanent Minority Status Hit

British sources asserted the plan was elastic and subject to alteration, but its broad outline angered representative Jews who said it would definitely relegate them to a minority status, curtail Jewish immigration to the Holy Land and shut off Palestine land sales to them.

Jews were alarmed, especially since their people in many parts of Europe are looking to Palestine as a possible refuge.

Jewish leaders in London talked of calling the actions committee of the Zionist World congress into session in order to rally world-wide opposition if the British government insists on carrying the plan through.

What form Jewish opposition would take should Britain remain adamant was doubtful, but a Jewish refusal to participate on any Palestine legislative bodies proposed in the plan was believed a certainty.

In the first stage of the plan, Jews said, Britain would appoint Arab and Jewish ministers

DUCE RECLAIMS 3,000 ITALIANS

5 Trainloads Leave France in Greatest Movement of Repatriation Program

ROME, Feb. 26 (AP).—Three thousand Italians returned to their homeland from France today in the greatest mass movement yet undertaken in Italy's program of repatriation of her sons abroad.

They crossed the frontier in five special trains.

Squads of fascist blackshirts lined up at railway stations saluted them and officials gave them a warm welcome.

Many more will be brought back to Italy in coming weeks. Two shiploads were scheduled to arrive Wednesday in Leghorn from the south of France.

As the returning Italians swelled the total manpower on which Premier Mussolini can draw in event of war, several recently adopted decrees designed to give Italy greater power in wartime went into effect upon their publication in the official gazette.

Regimentation Provided

Among them were measures providing for militarization of the entire economic life of the nation at the moment of a general or partial mobilization, for dividing the country into military zones for administration of economic life in wartime and for distribution of gas masks to all government employes and industrial workers.

Fascist newspapers telling of the repatriation program gave prominence to dispatches from Malta reporting a student demonstration against the new constitution of the British-held island in the Mediterranean south of Sicily and the Italian mainland.

Italian claims on Malta have often been put forward in the press in the past, but they have not been mentioned in the recent agitation for Tunisia, Corsica and other French territory.

Of today's contingent, about 1,000 arrived on two special trains from Paris, which had stopped en route to pick up additional Italians at way stations.

These trains were followed by a special from Lyon which crossed into Italy by way of the Modane tunnel.

Others From Southern France

Two other specials bearing Italians from Bordeaux, Marseille and other parts of southern France entered Italy at Ventimiglia.

Officials said it was due to these trains that the number of arriving Italians was nearly triple the number which Paris dispatches yesterday had said was leaving or was about to leave French soil.

The trains from Paris and Lyon proceeded to Turin, where a reception was held.

The homecomers

Associated Press Foreign Staff.

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Yet Berlin's Jewry alone, the Jews said, hereafter must send out 3,000 persons monthly aside from emigration from such centers as Vienna, Breslau, Frankfurt, Stuttgart, Dresden, Cologne and Hamburg.

Responsible Jewish quarters said they could produce 100 persons for the first three or four days from those whose preparations to leave the country were far enough advanced to make their departure within two weeks likely.

Beyond that they said they saw only tragedy.

Police authorities asserted that orders were orders and if a man on the daily list did not leave within a fortnight dire consequences would follow.

Blue Cloud convent and at Changkaishan, southwest of Kuling.

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What form Jewish opposition would take should Britain remain adamant was doubtful, but a Jewish refusal to participate on any Palestine legislative bodies proposed in the plan was believed a certainty.

In the first stage of the plan, Jews said, Britain would appoint Arab and Jewish ministers of the new state on a representative basis. It is estimated there are 1,000,000 Arabs to 450,000 Jews in Palestine.

As a second stage Britain would call a round-table conference to work out a constitution for an interim government of three to five years.

The third stage provided for an independent Palestine state, with "safeguarded" Jewish minority rights. The state would be linked to Britain by a treaty on lines similar to those of other Arabs states like Iraq and Egypt.

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The trains from Paris and Lyon proceeded to Turin, where a reception was held.

The homecomers—men, women and children, including some infants born abroad and seeing Italy for the first time—were led to fascist headquarters by a brass band.

There they were given meals of spaghetti and other Italian food specialties and, in brief addresses by officials, were told of the greatness of the new Italy and the joy of the mother country in having them back.

In addition to the return of Italians to Italy, the commission apparently is endeavoring to attract Italians in non-Italian parts of North Africa to Libya, where they will be under the Italian flag once more.

CROWD SCORES CHAMBERLAIN'S SPANISH PLANS

Guards Keep Demonstrators Out of the Street Where Premier Writes Speech

WHOLE POLICY DECRIED

Address Recognizing Rebel Regime to Be Delivered to Commons Today

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But they found their way up the narrow, dead-end street blocked. Outside modest No. 10, the prime minister's official residence, three red fire engines and 100 policemen backed by thirty mounted police, barred their way.

Guards Too Formidable

Even the demonstrators' vanguard, veterans of the Spanish government's international brigade, found the opposition too formidable.

They sent a protest in to the prime minister and dispersed.

Their resolution, after assailing the government's whole Spanish policy, decried, "as the culminating treachery the present vulgar and undignified scandal on the part of the government to curry favor with the assassin of Spanish democracy."

Clement R. Attlee, laborite opposition leader in the house of commons, also submitted a resolution of protest at the Spanish embassy.

There, however, the staff of Pablo Azcarate y Flores, Spanish government ambassador to London, advised of Chamberlain's intention of recognizing Franco, was preparing to move out tomorrow.

Earlier, Attlee had accused Chamberlain of "selling" the Spanish government and had charged Britain now was "going to consummate the treachery by recognizing * * * a rebel, puppet government."

To Read Franco's Message

The prime minister will read an important written declaration from Franco in the house of commons tomorrow.

It was understood the nationalist leader had given written assurances that his government would refrain from any reprisals against the defeated Spanish government and had guar-

President Of Loyalists Resigns

English, French Warships Ready To Evacuate Leaders.

PARIS.— (LP) —President Manuel Azana of Loyalist Spain announced his resignation today while the British and French Governments awaited news that Loyalist resistance in central Spain had collapsed.

French and British warships were believed waiting off the Spanish Mediterranean coast to evacuate Loyalist leaders in event that Premier Juan Negrin and his associates decided that to continue the war was useless.

Members of the Republican cabinet who were in Madrid left this afternoon for Valencia in response to a summons from Negrin, who awaited them there for an emergency and perhaps final meeting.

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Azana said in his letter that he wanted peace, that he considered defeat inevitable, that the Spanish people shared his belief and that the Loyalist general staff had concluded victory was now impossible. He told Barrio he had deferred his resignation hoping peace might be negotiated with the Nationalists. But French and British recognitoin of the Nationalists, he argued, made this hope vain.

There was considerable doubt here that the Loyalists could name a successor to Azana under the constitution. Article LXXIV of the constitution provides for an election eight days after the resignation of a President by deputies of the Cortes and an equal number of delegates chosen by popular vote. But the election must be held in Spain and most of the Cortes members are refugees in France.

Jules Henry, French ambassador ai Spain, notified Marcelino Pascua, Loyalist ambassador, today that France had withdrawn recognition from the Loyalists.

Belief in French and British Government quarters was that a Loyalist collapse was imminent.

Nationalist dispatches asserted that Gen. Jose Miaja, commander-in-chief of the Loyalist armies, planned to board a ship for Mexico, on invitation of President Lazaro Cardenas, and that Premier

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LONDON, Feb. 26.—Police guards and fire engines held anti-Franco demonstrators from Downing street tonight as Prime Minister Chamberlain completed the speech he will deliver tomorrow recognizing Nationalist Generalissimo Franco's regime as Spain's legal government.

Almost 1,000 demonstrators, shouting, "No recognition for Franco!" and "Chamberlain must go!" paraded from Trafalgar square to Downing street.

But they found their way up the narrow, dead-end street blocked. Outside modest No. 10, the prime minister's official residence, three red fire engines and 100 policemen backed by thirty mounted police, barred their way.

Guards Too Formidable

Even the demonstrators' vanguard, veterans of the Spanish government's international brigade, found the opposition too formidable.

They sent a protest in to the prime minister and dispersed.

Their resolution, after assailing the government's whole Spanish policy, decried, "as the culminating treachery the present vulgar and undignified scandal on the part of the government to curry favor with the assassin of Spanish democracy."

Clement R. Attlee, laborite opposition leader in the house of commons, also submitted a resolution of protest at the Spanish embassy.

There, however, the staff of Pablo Azcarate y Flores, Spanish government ambassador to London, advised of Chamberlain's intention of recognizing Franco, was preparing to move out tomorrow.

Earlier, Attlee had accused Chamberlain of "selling" the Spanish government and had charged Britain now was "going to consummate the treachery by recognizing * * * a rebel, puppet government."

To Read Franco's Message

The prime minister will read an important written declaration from Franco in the house of commons tomorrow.

It was understood the nationalist leader had given written assurances that his government would refrain from any reprisals against the defeated Spanish government and had guaranteed that Spain would remain free of German or Italian influence.

Sir Robert M. Hodgson, British commerical agent at Burgos, Franco's capital, already has beeen instructed to advise the nationalists of Chamberlain's plan and to mention the name of a proposed British ambassador to Burgos.

There was no indication what name the prime minister had put forward. It was understood, however, that he had decided to send a well-known diplomatist.

It was generally believed that the Duke of Berwick and Alba would be Spain's first nationalist ambassador to London. He is considered to hold anti-German views and for this and other reasons it was believed he would

his resignation today while the British and French Governments awaited news that Loyalist resistance in central Spain had collapsed.

French and British warships were believed waiting off the Spanish Mediterranean coast to evacuate Loyalist leaders in event that Premier Juan Negrin and his associates decided that to continue the war was useless.

Members of the Republican cabinet who were in Madrid left this afternoon for Valencia in response to a summons from Negrin, who awaited them there for an emergency and perhaps final meeting.

Azana sent his resignation from Collonges-Sous-Saleve, in the French Alps, to Diego Martinez Barrio, Vice-President of the republic and president of the Cortes, or Parliament.

Barrio said that as soon as he received it he would call a meeting of members of the Parliament who are in Paris to consider the situation.

Azana said in his letter that he wanted peace, that he considered defeat inevitable, that the Spanish people shared his belief and that the Loyalist general staff had concluded victory was now impossible. He told Barrio he had deferred his resignation hoping peace might be negotiated with the Nationalists. But French and British recognitoin of the Nationalists, he argued, made this hope vain.

There was considerable doubt here that the Loyalists could name a successor to Azana under the constitution. Article LXXIV of the constitution provides for an election eight days after the resignation of a President by deputies of the Cortes and an equal number of delegates chosen by popular vote. But the election must be held in Spain and most of the Cortes members are refugees in France.

Jules Henry, French ambassador ai Spain, notified Marcelino Pascua, Loyalist ambassador, today that France had withdrawn recognition from the Loyalists.

Belief in French and British Government quarters was that a Loyalist collapse was imminent.

Nationalist dispatches asserted that Gen. Jose Miaja, commander-in-chief of the Loyalist armies, planned to board a ship for Mexico, on invitation of President Lazaro Cardenas and that Premier Juan Negrin intended to fly to France.

The 800-mile battle line in central Spain was a ghost front. Fighting had ceased. Loyalist troops were planting trees in the shattered parks of the suburbs, a Madrid dispatch said, where a few weeks ago they were fighting bitterly.

Confident that collapse of the Loyalist resistance was near, the Nationalists sped preparations for a triumphal entry into Madrid. Food convoys were massed on roads converging on Madrid, and regiments of civil guards were waiting to march in and take over the capital's policing.

INSURGENTS GET THE RECOGNITION OF LONDON, PARIS

ARMISTICE IS IMMINENT

U. S., Russia Only Great Powers Recognizing the Old Regime

BRITISH ACTION RAPPED

Opposition Cries 'Shame' as Chamberlain Announces Course to Commons

By the Associated Press.

PARIS, Feb. 27.—Great Britain and France accorded full recognition to Generalissimo Francisco Franco's nationalist government of Spain today after a week-end in which Madrid government leaders stated an armistice was being arranged to end the civil war.

First, Prime Minister Neville Chamberlain announced to the British house of commons that his government had accorded recognition to the Burgos regime. Shortly afterward the French cabinet met with Premier Edouard Daladier and President Albert LeBrun and took similar action.

The joint decision meant that only the United States and soviet Russia among the great powers now recognize the old government of Spain as the real government.

Loyalist Envoy to Vacate

The Madrid government's ambassador to Paris and his staff made it known they would formally vacate the embassy immediately upon official notification of the government's decision. The embassy was stripped of all records and personal belongings of its personnel, but furniture and decorations were left intact for the incoming nationalist occupants.

The president of the old regime, Manual Azana, already had gone into retirement at a small French town near the Swiss border and publication of his resignation was expected momentarily.

Chamberlain in his London announcement told commons that "there can be no doubt now of the ultimate issue of the struggle." He said Gen. Franco had professed determination to "secure the traditional independence of Spain" and to call before nationalist courts only those Madrid followers "against whom criminal charges are laid."

U. S. Not to Rush Action On Franco Recognition

WASHINGTON, Feb. 27 (AP).—Eventual United States recognition of Gen. Franco's government appeared inevitable tonight.

However, officials, after receiving dispatches announcing Britain's and France's recognition, said this government would not rush its action.

Secretary Hull said he was giving attention to all aspects of the question and would neither neglect nor hurry his step. President Roosevelt, he added, is being kept informed.

Hull made this statement in his press conference after talking for forty minutes to Spanish Ambassador Fernando de los Rios. The latter told correspondents that the government of Premier Negrin was still functioning and that he himself was still ambassador.

COUNCIL SEIZES CONTROL IN MADRID, OUSTS NEGRIN; FIGHT TO DEATH PLEDGED

Goebbels Scorns Critics, Says Germany 'Must Live'

Advises Against Attempts to Block 'Healthy Business' With Reich—Calls on British Public for Support of Nazi Demands

By the Associated Press.

LEIPZIG, Germany, March 5.—Dr. Paul Joseph Goebbels scornfully assailed nazidom's "carping critics" at home today and advised against outside attempts "to block healthy business with Germany" as he opened the 1939 Leipzig fair.

"Germany must live and Germany will live," the fiery propaganda minister declared.

To the British public he addressed the special advice to support Germany's efforts to decrease the disproportion of goods owned by Britain and Germany because such action would decrease the causes of tension in Europe.

Referring to the scarcity of foodstuffs and raw materials in his country, Goebbels said:

"The German nation has been inadequately treated in the distribution of the treasures and goods of this earth."

It had been necessary, he said, "to introduce a number of unpopular measures."

"From the point of view of the western democracies," he went on, "it is extremely easy to criticize these measures in a spiteful and superior manner."

He did not specify the measures, but it was taken for granted that he referred to the rationing of certain foodstuffs.

"Time and again, too," he said, "we national socialists find it necessary to reply to critical voices raised at home that we are in no wise responsible for the lamentable condition of affairs."

The growth of the Leipzig fair from 4,253 exhibitors in 1914 to 9,800 from twenty-eight countries in 1939, the minister asserted, was "another refutation of criticisms of our economic policy which still occasionally are made within our own borders by highbrow intellectuals and professorial theorists.

"What serious alternative solutions can these carping critics advance, compared to the success of our methods?"

Turning to the four-year plan for self-sufficiency, Goebbels said:

"There is no justification for skepticism in regard to the quality, usefulness or suitability of the new German materials."

These, he asserted, were "for the most part superior to those made from the old materials."

With conversations between German and British industrial groups scheduled for this month, the propaganda minister advised the British public "not to smile scornfully at the sight of the obvious disproportion in the ownership of the goods of the world which yawns between Germany and England."

He declared it was impossible "to talk an obvious condition of tension out of court by dividing nations into haves and have nots."

"All attempts in the world outside to block healthy business with Germany," he added, "are foolish, not to say politically immoral.

"For what else are we Germans to do if we wish to live? We have not yet any colonies from which to draw the raw materials we need."

The famous old fair for the first time in some 700 years opened with no Jewish exhibitors.

GEN. CASADO IS LEADER

Head of Cabinet Bitterly Assailed as 'Incapable,' Is Reported in Flight

REBEL ATTACK EXPECTED

Sunday Deadline for Leftist Surrender Passes—Miaja to Join New Regime

By the Associated Press.

MADRID, March 5.—The military commander of Madrid seized the power from Premier Juan Negrin and his cabinet in a swift but bloodless coup tonight and pledged a fight "to the death" against Generalissimo Franco unless an "honorable peace" is obtained.

Gen. Segismundo Casado, heading a defense council of six, which he said replaced Negrin's government, declared:

"The die is cast. We shall all save ourselves or sink together. Our struggle will not end until independence is assured."

Details of how the transition of governments was effected were not learned immediately.

Madrid Calm After Coup

Madrid, however, was calmed after Gen. Casado's coup by a manifesto from the new defense council and a speech by Julian Besteiro, another member of the council, over the radio.

The whereabouts of Negrin and his ministers were not known.

They were referred to as a "wandering cabinet" by Besteiro, while the manifesto indicated the overthrown premier had been prevented from leaving Spain.

"We cannot suffer several privileged individuals to prepare peacefully to flee and gain an easy exile abroad," said the statement of the new military government.

(Border reports, which were not confirmed, said Negrin was in flight and that other members of his cabinet were known to have left Madrid hurriedly this afternoon.)

Gen. Jose Miaja, commander-in-chief of air, sea and land forces in central Spain, was en route to Madrid, Gen. Casado announced, to support the new regime.

Earlier, an announcement by the Negrin government had said the now fallen premier was taking control of the army solely into his own hands, but that Miaja was remaining as com-

Gandhi Wins Reform; Ends 98-Hour Fast

RAJKOT, India.—(A. P.)—Wizened, 69-year-old Mohandas K. Gandhi ended this afternoon a fast of ninety-eight hours and twenty-five minutes to win political reform.

He drank a glass of sweet orange juice.

The nourishment was the first since he started the "fast unto death" just over four days ago after drinking a cup of hot goat's milk.

The British Viceroy of India, the Marquess of Linlithgow, intervened in Gandhi's dispute with the ruler of Rajkot, 29-year-old Thakore Saheb Shri Dharmendrasinhji.

Settlement of the dispute—Gandhi sought more democratic forms of government—was regarded as another significant victory for the revered leader of mililons of Indians.

Gandhi voluntarily ended the long fast, which his doctors said was endangering his life, immediately after receiving a letter from Thakore Saheb.

The letter was handed to the ascetic former "Mahatma" by a chauffeur sent by E. C. Gibson. British resident in the States of western India.

Gandhi opened the letter, smiled weakly, and turning to his attendants, accepted a glass of orange juice which he began sipping slowly.

The British Viceroy and Gandhi's secretary, Mahadev Desai, had carried on one side of the negotiations, while Gandhi himself dealt with Gibson, who was acting for the Rajkot ruler.

Warplane Put Dow In Street

Troops Defend New Defense Council; Minister Goes to Visit Franco.

PARIS.—(U. P.)—The Paris Soir reported today that Gen. Sigismundo Casado, defense minister of the new governing council in Madrid, went to the Nationalist lines and asked to see Gen. Francisco Franco to negotiate peace.

MADRID.—(A. P.)—Warplanes were used over Madrid by Gen. Jose Miaja's new Republican Defense Government today in an effort to crush an uprising of "some troops" said to have been inspired by Communists.

BURGOS, Spain.—(U. P.)—Reports circulated in Nationalist sources today said that Communists had seized the Union Radio Station at Madrid.

The reports received here coincided with Nationalist assertions that continuation of the Communist disorders in Madrid might lead either to an invitation for the Nationalists to march in or to an attack by the Nationalists on the city.

MADRID.—(U. P.)—Republican troops opened fire in the streets of Madrid today to crush a counter-revolutionary outbreak among soldiers led by Communists opposing peace negotiations with the Nationalists.

Shots were exchanged by the Communist-led soldiers and Republican troops defending the new defense council headed by Gen. Jose Miaja, but, the council announced, the uprising was quickly suppressed.

Miaja and Juan Besteiro, moderate political leader on the council, appealed to the populace to aid in crushing the Communists throughout republican Spain in order to permit the new regime to negotiate a settlement of the civil war.

HEADQUARTERS RAIDED

Communist headquarters at Valencia and Madrid were raided and left in charge of troops.

The Communists were charged by Miaja with misleading troops in "some battalions" and inspiring them to attempt overthrow of the defense council, which came into power yesterday after outsing Premier Juan Negrin's government.

Terrorists in automobiles fired on republican soldiers in the north section of Madrid and the troops returned the fire. Another band of counter-revolutionists, led by Communists, fortified itself near the government buildings and attempted to lead a coup d'etat against the council.

The government announced that this band had been forced to surrender later.

Automobile and pedestrian traffic was suspended in the city for two hours during and after the uprising.

QUIET ELSEWHERE

ed even by the Nationalists as a moderate.

Interior and Security—Wenceslao Carrillo, representing the U. G. T., the socialist general labor union.

Justice of Propaganda—Miguel San Andres, left republican.

Communications and Public Works—Eduardo Val, socialist.

Finance and Economy—Manuel Gonzalez Marin, C. N. T. (Anarcho-Syndicalist National Confederation of Labor).

Education and Health—Jose Del Rio, a moderate who had served in pre-Negrin governments.

With this committee, Lieut.-Col. Cipriano Meda, an anarchist who had served as an active army officer, collaborated closely, as did Gen. Manuel Matallana Gomez, new army chief of staff.

WANTS PEACE

Immediately after last night's meeting Gen. Miaja made his speech, following up the assertion of Gen. Casado the previous night that the new defense council wanted peace as soon as possible.

"We will bring tranquillity to Spanish homes with peace," he said, "but a peace as worthy as was the war, for during the struggle the honor of the republican

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QUIET ELSEWHERE

"Absolute tranquillity exists in all Spain except for Madrid," Gen. Segismundo Casado, leader of the uprising against Negrin, announced to the people by radio after the Communist outbreak.

"In Madrid, Communists made desperate by their latest failure, deceived troops in some battalions, who attempted an audacious coup."

SEVERAL ARRESTED

At Valencia, officials representing the council announced that a number of persons had been arrested during the occupation of the headquarters and district centers of the Communist party. This announcement was supplemented by the statement:

"Measures have been taken to assure compliance with orders of the civil and military commands. These measures include double vigilance in the streets."

Members of the council blamed the Communists equally with Negrin for continuance of the war.

A special decree forbade driving of automobiles outside Madrid without special authorization granted by the general staff and the new directory of interior and security.

Blunt old Gen. Miaja, who won the love of republicans and the respect of the Nationalists by assuming command in Madrid in November, 1936, when the cabinet had fled and Nationalist troops had reached the city suburbs, last night accepted supreme command of the new defense council, which consolidated its position as an emergency government of all republican territory.

At a meeting last night the following directorate was named:

President of the National Defense Council—Gen. Jose Miaja.

War Minister—Gen. Sigismundo Casado, organizer of the revolt against the Negrin government and its collaborating Communists.

Foreign Affairs—Julian Besteiro, a socialist who has long advocated peace and is regarded.

Communications and Public Works—Eduardo Val, socialist.

Finance and Economy—Manuel Gonzalez Marin, C. N. T. (Anarcho-Syndicalist National Confederation of Labor).

Education and Health—Jose Del Rio, a moderate who had served in pre-Negrin governments.

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"We will bring tranquillity to Spanish homes with peace," he said, "but a peace as worthy as was the war, for during the struggle the honor of the republican army was demonstrated."

He continued with a reference which, it was indicated, was aimed against the Communists and Soviet Russia:

"We want the peace which countries that called themselves friends of Spain wanted to postpone, thus prolonging this fratricidal fight in which thousands of our brothers have fallen due to a delayed understanding.

"We hope that after this war Spaniards will think of the peace and prosperity of our country and will not be drawn into another fight in which, whoever might be the conqueror, it would be this country which would be the loser. Vivi Espana!"

Explaining the overthrow of the Negrin Government, Miaja said:

"We loyally interpreted the wishes of the Spanish people, who for a long time had been without a government."

Here again he struck at the Communists.

"I know that people ask why we did not act before," he continued. "It would have been possible for us to do so. But the attitude of a certain political party made it impossible to elect the change without bloodshed.

"BETRAYED NOBODY"

"As it is, we betrayed nobody. There was no Government we could have betrayed, inasmuch as the so-called republican Government (of Negrin) was not supported by the President."

The new leaders received promises of support from all over the country. The executive committee of the Socialist U. G. T., the most powerful labor organization in Spain, met last night and voted support and cooperation.

Members of the committee then conferred with representatives of the National Federation of Industries, and the federation as the result unanimously approved the defense council program.

MIAJA BECOMES LEFTIST LEADER, SUES FOR PEACE

SUCCEEDS GEN. CASADO

Holds Madrid in Military Grip, Fights Opposition of the Communists

NEGRIN REACHES FRANCE

Government Navy Escapes to Tunisia—Franco's Army Is Poised for Attack

By the Associated Press.

PARIS, March 6.—An anticommunist national defense council, headed by Gen. Jose Miaja, held Madrid and most of republican Spain in a tight military grip tonight trying to bring the war to an end by a surrender to the nationalists.

As Generalissimo Franco's powerful armies awaited developments, poised for an attack, the new government, which overthrew the regime of Premier Juan Negrin in a peaceful weekend coup, fought down opposition of the communists.

The council's own communiques, broadcast on the Madrid radio, reported communist attempts to "disturb public order" in Madrid were being met with "strong measures."

Nazi Consul Says Choice Kept Secret

Speculate If Hitler Will Retire In Near Future.

SAN FRANCISCO. — (U. P.) — German Consul-General Fritz Weidemann's statement that a successor to Adolf Hitler, Nazi dictator, already had been chosen caused speculation today on whether Hitler planned an early retirement.

"The choice is being kept a secret, and naturally I can give no names," Weidemann said at a press conference coincident to his formal induction as consul-general.

He declined to elaborate or to answer pointed questions concerning Hitler's plans.

He said, however, that recent rumors reporting his "death" were fantastic.

Martial Law Clamp Down as Slovaks Attempt to Secede

Troops Take Charge After Premier and Others Ousted.

PRAGUE, Czechoslovakia.—(U. P.)—Martial law was declared today at Bratislava, capital of semi-autonomous Slovak Government, and Czechoslovak troops occupied public buildings and Bratislava, Pistyan, Bystrice and Trent in a sudden Government move to crush separatist activities.

It was announced that the Central Governmnt had appointed a Czech general to "aid and counsel" the Slovak Government.

The central government's action came immeditaely after the dismissal this morning by President Emil Hacha of the premier, economics minister and labor minister in the Slovak cabinet.

Martial law was proclaimed at 11 a.m. by means of a radio broadcast in which the government urged the population to maintain order and to obey the authorities.

At Bratislava the situation had become menacing. Several shots were fired this morning when several thousand members of the separatist Hlinka Guards and workers assembled to protest against dismissal of the ministers. The origin of the shots was not known.

WORKERS STRIKE

Slovak nationalist workers in big factories called a strike and joined members of the Hlinka Guard in central Bratislava. They massed at government buildings and began shouting:

"We want a free and independent Slovakia!"

As three German customs men crossed the Danube bridge and approached the crowd, the demonstrators shouted:

"Slava Hitler!" — equivalent to "Heil Hitler!"

Police charged this crowd, using rubber truncheons, and dispersed it.

Soldiers were in complete control of the general situation. They formed cordons at all roads leading to the city, to prevent peasants and country workers from entering. Police similarly drew cordons at strategic points in the city to keep mobs from forming in dangerous numbers.

ARMS DISTRIBUTED

It was reported that as an extraordinary precaution against disturbances, military police distributed arms to the most trustworthy members of the Czech population of Bratislava, especially members of the former Sokol Athletic Association.

It was reported that the government intended to disarm and send to concentration camps large numbers of the Hlinka Guards, the principal separatist association, and to arrest leading Slovak officials.

Troops of the occupation force were drawn largely from non-Slovak areas. They arrived at Bratislava early this morning in motor trucks and busses.

All night and until 9 a.m. today telephone service was suspended throughout Slovakia and to foreign countries.

It was understood that additional troops from Bohemia and Moravia were on their way to Slovakia.

The dismissals and troop occupation came after demands by the Czechoslovak Government that Slovaks stop agitating for a sovereign and independent State and trying to form a Slovak army.

DRASTIC MEANS

The central Government's action was a drastic means of restoring the authority of the State throughout Czechoslovakia. There had been general unrest since the dismemberment under the Munich agreement.

Ministers dismissed were Josef Tiso, Premier; Mikulas Pruzinski, Economics Minister, and Ferdinand Durcansky, Labor Minister.

(From Budapest, the Associated Press reported that the

Italian Demand On France Less Than Expected

LONDON.— (Copyright, United Press.) — Italy at last has officially formulated her territorial demands on France in a note presented to the French Government Wednesday, a usually trustworthy diplomatic source said today.

The note was said to include a statement of Italy's claims to rights in the port of Djibouti in French Somaliland and the railway leading from the port to Addis Ababa and also to Italian minority rights in Tunis.

Information here suggested that the proposals are less drastic than the "Tunis, Nice, Corsica" demonstration in the Italian Chamber of Deputies in December and the utterances in the Italian press since that time have indicated.

The information caused a feeling of relief here and strengthened the belief that Prime Minister Neville Chamberlain intends to sound out opinion in world capitals soon on holding an arms limitation conference.

It was reported that he sought first to negotiate an air force limitation agreement with the principal European powers and then to widen negotiations to include the

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(From Budapest, the Associated Press reported that the Vienna radio, broadcasting in the Slovak language, said Dr. Tiso had sent a communication to Chancellor Adolf Hitler of Germany.

(The nature of Tiso's message was not announced, but the broadcast added that the Slovak ex-Premier, in a telephone conversation with Vienna, had protested that his removal from office was unconstitutional.)

Sano Mach, chief of the Slovak Propaganda Department, and Albert Tuka, nationalist leader, were reported under arrest. Premier Tiso retired to a Jesuit monastery. Whether he was under some form of arrest was not known.

CABINET ALARMED

The Cabinet here had been alarmed by reports of strong separatist movements in Slovakia. The Cabinet met for five hours last night and talked over the whole situation with Karl Sidor and Pavel Teplansky, Minister of State and Finance Minister, respectively, in the Slovak Cabinet. It was understood that the Cabinet offered to make some concessions to Slovakia, such as a share of diplomatic posts, a share in the Army and financial aid. It demanded in return that separatist activities be suppressed.

There were rumors that members of the Hlinka Guard had planned a revolt, but that their plans failed. This rumor, however, was checked and was believed to be unfounded.

Josef Sivak, Vice-Premier, who automatically succeeds Tiso as Slovak Premier, was on his way to Vatican City to attend Sunday's coronation of Pope Pius XII when the crisis came. He was recalled by means of a telephone message which was relayed to his train.

On France Less Than Expected

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It was reported that he sought first to negotiate an air force limitation agreement with the principal European powers and then to widen negotiations to include the United States and other world powers.

It was intimated in inspired quarters that he hoped to discuss limitation of all sorts of armaments in the big conference and to include economic problems. This would mean discussing Germany's colonial claims as part of a general European appeasement agreement.

A waive of optimism, for which diplomatic quarters sought in vain to find the reason, seemed to be sweeping Great Britain and France alike as regards the general European political outlook.

Chamberlain, particularly, was represented as believing that the prospective end of the Spanish civil war would improve the situation materially.

All London newspapers carried inspired articles this morning reporting Chamberlain's hope of calling an armament limitation conference.

It was intimated in well-informed quarters that the Prime Minister intended to issue invitations to a military airplane limitation conference as soon as the Italian-French difficulties had been ended, provided his soundings of capitals were encouraging. He seemed to have reason to think that they would be.

The hope seemed to be that war could be avoided this year—and if this year, for a much longer period. There was a boomlet on the stock market. Trade had improved. Newspapers had more cheerful headlines.

ROME.—Fascists demand that Italy be given a share of control of the Suez canal as part of the concessions they ask of other countries to satisfy the "natural aspirations of the Italian people."

The great waterway, a vital point of Britain's "lifeline" to the east and France and Holland's connecting link with their eastern possessions, also is Italy's gateway to her new Ethiopian empire.

To send ships through it she must pay heavily and pay in gold—which to a country not operated on gold currency is a double burden, fascists say.